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THIS WEATHER — PARIS: Saturday, cloudy with snow. Sunday, cloudy with snow. LOWDOWN: Saturday, cloudy with snow. Sunday, cloudy with snow. CHANNEL: Saturday, cloudy with snow. Sunday, cloudy with snow. FRANCE: Saturday, cloudy with snow. Sunday, cloudy with snow. NEW YORK: Saturday, cloudy. Sunday, cloudy. TEMPERATURES: Saturday, 10-15. Sunday, 10-15. NEW YORK: Saturday, 10-15. Sunday, 10-15.

Algeria	5.00 Dm.	Iran	125 Rials	Nigeria	100 K.
Angola	17 S.	Israel	15.1900	Norway	5.00 Nkr.
Argentina	8.00 Dm.	Italy	1000 Lire	Costa Rica	5.00 Col.
Australia	2.00 A\$	Japan	400 Yen	Portugal	45 Esc.
Canada	1.00 C\$	Korea	100 Won	Qatar	5.00 Rial
Ceylon	100 Rs.	Laos	1000 Kip	South Africa	5.00 Rand
Denmark	4.00 Dkr.	Lebanon	100 L.L.	Spain	166 Ptas.
Egypt	85 P.	Lithuania	100 Lt.	Sweden	5.00 S.Kr.
France	5.00 F.	Luxembourg	100 F.	Switzerland	5.00 Sfr.
Germany	5.00 M.	Malaysia	100 M.	Taiwan	95 N.T.S.
Greece	200 Dm.	Mexico	100 P.	Turkey	7.2.00 Liras
Great Britain	5.00 £	Netherlands	2.25 F.	U.S.A.	5.00 Dols.
				Vietnam	2.00 Dols.



Commuters trudged through the snow in London's Parliament Square Friday morning as the city received nearly 3 inches of snow in the storm that swept southern and central Britain.

Snow, Cold Lash U.K.; 8 Feared Dead

From Agency Dispatches
LONDON — Bitter cold and snow in drifts up to 8 feet (2.4 meters) whipped Britain on Friday, marooning at least four towns and transforming the flooded city of York into a skating rink.
At least eight persons were feared dead, including five duck hunters whose boat was swept by a blizzard in Ireland and two motorists and one fisherman in England. Power supplies to 12,000 homes were cut and communications disrupted as snowstorms hit central and southern Britain.
London received nearly 3 inches (7.6 centimeters) of snow. Heathrow Airport was reduced to one runway and Gatwick was closed.
In West Germany, melting snow and rain caused rivers to surge over their banks, flooding riverside communities and halting barge traffic on the Rhine and its tributaries, police said. In Bonn, barricades were erected to stop the river from inundating the ground floor of the Parliament building.
A "snow hurricane" hit the western part of the Soviet Union, according to Moscow radio. Telephone and power lines were



A man searched the rubble of a house near Ben Lomond, Calif., where his father lived and is presumed to be buried.

down and airports and roads closed. There was difficulty delivering food to remote villages and farms, according to the radio, monitored in London.
In France, snow fell on Paris Friday and blocked roads in Normandy and Brittany, where it brought down electricity cables in the Finistere region, cutting off 10,000 people. Meanwhile, rescuers struggled to help flood victims in the central part of the country where rivers have burst their banks.
In California, mud and major water shortages complicated cleanup and rescue attempts in the mountain hamlets of Santa Cruz County on Friday, where 20 more persons may be buried under a huge mudslide near Ben Lomond.
The death toll from flooding and mudslides in Northern California was 28, but officials said it could go much higher after they began to dig into the 500-foot wide, two-mile-long slide that buried an unknown number of houses in the Love Creek area of Ben Lomond.
Officials said 787 families in the isolated valleys — many living without water, electricity and gas — remained trapped since rainstorms hit the area on Sunday.
President Reagan has declared five Northern California counties — Santa Cruz, Marin, Contra Costa, San Mateo and Sonoma — disaster areas.

AT&T Agrees to Record Divestiture

U.S. Drops Its Antitrust Case Against IBM

From Agency Dispatches
WASHINGTON — The U.S. government took action Friday to end its two largest antitrust cases, settling a lawsuit against the American Telephone & Telegraph Co. and dropping a similar action against International Business Machines Corp.
The Justice Department announced a settlement with AT&T requiring the telecommunications giant to sell off its 22 local operating companies — worth about \$80 billion — within the next 18 months. It is the largest divestiture in corporate history.
Under the terms of a consent decree, the government is dismissing without prejudice its lawsuit against AT&T, which charged the company with violating antitrust laws by unfairly competing in the long distance and telephone equipment businesses.
Later, at a conference in federal court in New York, an IBM attorney read a stipulation in which the government agreed to dismiss its action against that company. The government said the case was "without merit and should be dismissed."
The lawsuit, which alleged that IBM had monopolized the general-purpose computer market, sought to split the firm into several smaller companies.
The AT&T firms that will be split off represent about two-thirds of its current assets of about \$137 billion, although the remaining company would contain the most profitable aspects of AT&T's business, including its Western Electric Co. equipment subsidiary and long distance division. Bell Laboratories would also remain a part of AT&T.
The Justice Department had sought to break AT&T — the world's largest nongovernment corporation, with 1 million employees — into at least two separate owned companies, one for regulated business and the other for unregulated business.
The settlement announced Friday also modifies a 26-year-old agreement between the government and AT&T that had barred the company from offering unregulated services, such as information and data processing products. AT&T will thus be permitted to enter the computer, news and information and cable television businesses for the first time.
In return for that freedom, AT&T is agreeing to sell or otherwise split off the local companies that serve more than 80 percent of U.S. homes and businesses, an agreement close to what the government has sought since the lawsuit was filed by the Ford administration in 1974.
Assistant Attorney General William Baxter, in charge of the Justice Department's antitrust division, said the AT&T deal may lead to lower long distance rates because of increased competition, but local rates could rise because AT&T has subsidized these with its more profitable long distance service.
Mr. Baxter said he felt the agreement "completely fulfills the objectives the antitrust division had been seeking. It is also very much in the interests of AT&T and its shareholders."
AT&T chairman Charles Brown, commenting on the terms of the agreement, said, "This isn't our choice. Our choice is the way we had the place organized."
AT&T will have to file its reorganization plan with the government within six months. The company said its three million shareholders will retain stock in AT&T and will own "proportionate values" in the local companies.
The case went to trial almost 10 months ago, and the judge hearing the case, U.S. District Court Judge Harold H. Greene, has refused

Spaniards to Reopen Border With Gibraltar, Hold Talks With U.K.

By William Borders
New York Times Service
LONDON — In an important conciliatory gesture toward the British, Spain announced Friday that it would reopen the border with Gibraltar, which it closed 12 years ago.
On the same day that the border opens, April 20, the two countries will begin negotiations on the future of the tiny British territory at the mouth of the Mediterranean. The talks could ultimately lead to the end of the colonial status of the Rock, as the fortress is called.
Announcing the agreement after a meeting here with Prime Minister Margaret Thatcher, Premier Leopoldo Calvo Sotelo of Spain made it clear that his country was continuing to press its claim to Gibraltar, which has a population of 29,000, most of whom are thought to be in favor of retaining the British link.
"The definitive solution of the problem must be the re-establishment of the territorial integrity of Spain," Mr. Calvo Sotelo said. "The only problem, although a grave one, that separates Spain and the United Kingdom has now entered the negotiation stage."
The problem of Gibraltar, which has disrupted relations between the two countries for centuries, has acquired a new urgency recently with the prospect of Spain's entry into the European Economic Community and NATO.
Opening the high steel border gates, which were locked in 1969 at the order of Franco, was regarded as an essential step toward Spain's membership in the organizations, especially the Common Market.
Britain captured the strategically situated peninsula in the War of Spanish Succession in 1704, and its sovereignty there was guaranteed forever in the Treaty of Utrecht of 1713. But the Spanish have always regarded Gibraltar as rightfully theirs and have periodically made attempts to get it back.
One of the most famous of their sieges took place from 1779 to 1783, when the British were preoccupied with the war of American independence.
Gibraltar has continued to be a highly emotive issue to the Spanish, a question of national honor, as demonstrated last summer when King Juan Carlos I refused to attend Prince Charles' wedding because the prince and his bride were flying to Gibraltar afterward to board the royal yacht for their honeymoon cruise.



Prime Minister Margaret Thatcher ushers her visitors into No. 10 Downing St. — Spanish Premier Leopoldo Calvo Sotelo, center, and Spanish Foreign Minister Jose Pedro Perez Llorca, followed by Lord Carrington, the British foreign secretary. They discussed the status of Gibraltar.

U.S. to End 12-Year Policy Linking Schools' Tax Status to Racial Bias

The Associated Press
WASHINGTON — Reversing a 12-year government policy, the Reagan administration said Friday that it planned to allow tax-exempt status for private schools even if they discriminate against blacks.
The announcement of the shift came Friday in documents filed with the Supreme Court, which had agreed to hear two separate appeals challenging the old policy.
The two-page statement filed with the court by Justice Department lawyers contained no explanation.
The statement said the government planned to give tax exemption to two schools that have been fighting to gain it despite their admitted racially discriminatory policies.
The schools are Bob Jones University in Greenville, S.C., and Goldsboro Christian Schools in Goldsboro, N.C. The two Supreme Court appeals came from those schools. Bob Jones University forbids interracial dating and marriage. Goldsboro bars all black students from enrolling.
The government statement said the Treasury Department, which includes the Internal Revenue Service, had "commenced the process necessary to revoke, forthwith" the IRS procedures that had been used to deny tax exemptions to racially discriminatory schools.
There was no indication when that process would be completed. The IRS announced the previous policy in 1970. Since that time, the agency has cited racial bias as the basis for revoking more than 100 exemptions and denying tax-exempt status to an unspecified number of other private schools.
Lawrence G. Wallace, the Justice Department lawyer who filed the statement, declined to comment and referred telephone calls to the Justice Department press information office. Thomas DeCair, the chief department spokesman, could not come to the telephone and no other department spokesman could be reached.
The Justice Department statement said it was taking steps to return to Bob Jones its tax-exempt status and was preparing to grant such status to Goldsboro for the first time.
"The United States therefore asks that the judgments of the court of appeals be vacated as moot," the government documents said.
Importance of Exemptions
Tax exemptions are important because without them donors cannot deduct what they give from their taxable income, and making it much harder for a school lacking an exemption to successfully solicit contributions. Additionally, a tax-exempt institution normally does not have to pay certain other taxes, such as local property taxes.
A U.S. Circuit Court of Appeals had upheld the IRS decision to deny tax exemptions for both schools. There was no immediate indication of what the Supreme Court would do with the appeals from the two fundamentalist Christian schools.
The federal circuit court ruled in both cases that although a private school's racial policies based on sincere religious beliefs were constitutionally protected, the IRS could revoke tax exemptions.

Hailing Crackdown as a Success, Pole Says Recovery Is at Hand

The following dispatch was censored by the Polish authorities.
By Brian Mooney
Reuters
WARSAW — Deputy Interior Minister Boguslaw Stachura has told a parliamentary committee that military rule, the arrest of thousands of union activists and the smashing of strikes have put Poland on the road to recovery, the official Polish press agency PAP reported Friday.
Mr. Stachura was said to have given the committee the most comprehensive account yet made public by the authorities about their crackdown on the Solidarity trade union Dec. 13.
Mr. Stachura said the death toll in protests against martial law was nine and that 5,067 trade unionists and dissidents were being detained.
He told vividly of the killing of eight miners in a battle with militiamen at a coal pit in Katowice province, of the breaking of strikes at factories and of the conditions in which more than 5,000 internees were living. PAP said.
His report Thursday said that since the last strike was ended on Dec. 28, Poland was free of any industrial dispute for the first time since July, 1980.
Martial law snuffed out all serious opposition and "society sighed with relief" when it was imposed, Mr. Stachura said.
"For most citizens, decisive improvement of public order is welcome compensation for all the inconveniences," he told the Committee for Internal Affairs and the Administration of Justice. "At present, we note no serious activities by opponents of the Socialist state."
PAP said the committee adopted a resolution praising martial law with three abstentions, but it did not elaborate.
Mr. Stachura described the fighting last month between striking coal miners and militiamen at the Wujek pit in Katowice province in which eight workers were killed. He said the militiamen were encircled by hundreds of people armed with axes, chains, red-hot metal rods, gases and explosives and opened fire to avoid being overwhelmed.
He said 49 miners and 41 militiamen were injured.
Mr. Stachura said another per-

Polish Crisis Threatens Other Economies in Soviet Bloc

Warsaw's Failure to Meet Obligations Disrupts Long-Term Planning by Its Allies

By Paul Lewis
New York Times Service
PARIS — The deterioration of Poland's economy, which has suffered a 25-percent drop in industrial production during the last two years, is threatening to severely damage the economies of the Soviet Union and its European allies, Western experts say.
The Polish crisis, the experts say, is aggravating shortages in the rest of the Eastern bloc, weakening economic links between the Communist countries and undermining their standing in international financial markets, making it hard for them to finance new imports of Western goods.
Poland has been unable to supply its partners in the Council for Mutual Economic Assistance — the economic organization that embraces the Soviet Union, Poland, Czechoslovakia, East Germany, Hungary, Romania, Bulgaria, Cuba, Mongolia and Vietnam — with the coal, sulfur, industrial goods and food that they had been counting on for their own development.
This trade group, known as Comecon, operates under a system that encourages its member countries to become specialist suppliers of key products to the whole bloc.
In the centrally planned economies of Eastern Europe, sudden cutbacks in deliveries of raw materials and industrial goods cause much greater dislocation than in the West, where a shortfall from one source can usually be made up somewhere else.
"In Eastern Europe, bottlenecks build up very quickly if anything goes wrong, and they can often only be broken by buying additional supplies from the West with scarce hard

currency," said Philip Hanson, an expert on Eastern Europe at England's Birmingham University.

The Soviet Union has acknowledged the difficulties caused by Poland's faltering economy. Shortfalls in Polish deliveries to other nations of the Eastern bloc "are painfully affecting the interests of Poland's Socialist partners," Viktor Gryshin, a member of the Soviet Politburo, said at a Polish Communist Party congress in Warsaw in July.

But Poland's Communist trading partners, in a display of what they call "fraternal solidarity," are continuing to supply Poland with far more food and goods than it is sending them. They are believed to be doing this to try to prevent a total economic collapse in Poland, even though such help aggravates shortages in the exporting countries.

Deficit Permitted
Although the Comecon countries usually try to balance trade among themselves, they allowed Poland to run up a trade deficit of about \$1.4 billion in 1981, according to Polish trade statistics.
The setbacks in Poland come at a time when other Comecon members reportedly are experiencing increasingly serious economic difficulties of their own. Overall economic growth for the Comecon nations of Eastern Europe, which averaged 5.7 percent in 1976, has slowed every year since then, reaching 1.2 percent in 1980, according to figures issued by the International Monetary Fund.
Although the Comecon countries' present five-year economic plans project more vigorous growth, ranging between 3 and 4 percent a year during the period of 1981-85, the IMF doubts that these targets can be met.
"If the rest of Comecon was performing well, the bloc could probably ride out the Polish crisis," said Alexander Nove, a Glasgow University expert on Eastern Europe's economies. "What makes it serious for them is that they are all in at least as big an economic crisis as the West."
In the last few weeks, the Soviet Union and Czechoslovakia have reduced the official targets set for their five-year plans. Western economists believe these cutbacks reflect Comecon's deteriorating prospects in view of the Polish crisis.
When Comecon prime ministers met in July in Sofia, the Bulgarian capital, they were unable to complete an overdue coordination of members' 1981-85 development plans because of uncertainty about the Polish economy.
The sharp cut in Polish coal exports to the Soviet Union and its European allies has probably been the most painful result of the Polish crisis. Western analysts generally agree. From 20 million tons in 1979, Polish coal exports to the rest of Comecon dropped to 12 million tons in 1980 and were probably barely 4 million tons last year.
In 1980 the Soviet Union got only about 6 million tons of coal from Poland instead of the planned 9.5 million tons. And last year, according to Western officials' estimates, Poland failed to meet its reduced target of 5.5 million tons.
Even though the Soviet Union itself produces 700 million tons of coal a year, a marginal decline of available supplies "can create serious inconveniences when the country is short of energy," Mr. Hanson said.

INSIDE

Unrest in India

Charges of government failure and corruption have spread from India's anti-establishment journals into the middle-class press. Page 2.

U.S. Arms Costs

President Reagan's plan to rearm America could cost up to \$750 billion more than the administration has earmarked in the next five years. Page 3.

Fiat Rebound

After some staggering setbacks, Fiat is bouncing back. The company is hoping to weave a network of cooperative agreements with Italian industries to strengthen its fortunes. Page 9.

The Art Market

The recession is concealing a basic problem in auction rooms: Supplies of art are running short. Page 7W.

Runcie Goes to China To Talk to Anglicans

The Associated Press
HONG KONG — Robert Runcie, the archbishop of Canterbury, left Hong Kong for China on Friday to hold talks with leaders of the Anglican Communion there.
The archbishop, who arrived here from Burma on Sunday, took a plane to Canton en route to Nanjing, where he will hold discussions with Bishop K.H. Ting and other clergymen.

Gandhi Supporters Now Join Attacks on State Corruption

By Michael T. Kaufman

New York Times Service

NEW DELHI — Charges that India's governmental institutions have crumbled, that corruption is rampant and that public morality is in sharp decline have recently spread from anti-establishment journals into the mass circulation press that is essentially middle class in the middle of the road.

The cry about decaying values is being echoed by many publications that have steadfastly supported the government of Prime Minister Indira Gandhi. For example, The Hindustan Times, declared in an editorial, "In our political culture, political corruption is permitted."

At receptions and parties, residents often concede that it has become virtually impossible to live a middle-class existence without resorting to bribery, whether it be to get a phone, speed up cement deliveries or obtain commercial or industrial licenses.

Despairing Analysis

The tone of the self-criticism was perhaps best reflected by an article in a November issue of The Illustrated Weekly News, India's most popular English-language periodical, which is sobriety pro-establishment.

Entitled "The Crumbling Pillars of State" and written by Sham Lal, a senior editor and defender of the government, it said, "It looks as if all virtue has gone out of the Indian political system. There is no organ

of state which has not suffered some damage in recent years.

"The executive has lost its moral authority, the legislature its capacity to control the executive, the bureaucracy its élan and the higher judiciary something of the aura surrounding it."

At the center of this decline, the article said, was a "widespread ambivalence of political corruption." A much more partisan and even more despairing analysis was offered by Rajni Kothari, an internationally known political scientist who, in a long article in The Indian Express, linked the spreading taint of public institutions with Mrs. Gandhi's centralized and charismatic rule.

"Worse Than Emergency"

"Corruption now marks all spheres — administration, politics, education, what have you," wrote Mr. Kothari, a fellow at the Center for the Study of Developing Society. He has been a critic of Mrs. Gandhi, and The Express has been the most outspoken newspaper in its attacks on the administration.

Mr. Kothari said that though political parties now in opposition first resorted to the use of criminal tactics, the practice was extended and institutionalized when Mrs. Gandhi was toppled from power and her son Sanjay rallied these forces to replace the loyalists who had left the party. Sanjay Gandhi died in a plane crash in 1980, Mr. Kothari wrote, "The repression that is already under way is far worse than the 1975-76 emergency. Then it was at least a declared

emergency indicating a temporary suspension of the political process.

"Today the normal political process has been grossly distorted and camouflaged so that while formally the Parliament, an independent judiciary and a free press are still there — and they do help in exposing the larger reality — in effect we have already moved into a harsh and oppressive state structure."

Corruption 'Legalized'

Calling the present system both "nonfunctioning" and "rotten," Mr. Kothari said it has "only one shining point" or rather dazzling centerpiece to it, too, is more keen on her survival in office than on doing anything that can even remotely be called purposive.

At a recent public meeting on corruption held at the Delhi School of Economics, a critic of the administration, George Verghese, a former journalist and an official of the Gandhi Peace Foundation, said corruption had been in effect legalized by Mrs. Gandhi's party.

"Here a person in the ruling party can say that he can be corrupt because he is in power," Mr. Verghese said.

The direct stimulus for all this criticism and concern appears to have been a series of articles in The Indian Express in which Arun Shourie, a muckracker, editor, produced records showing that Abdul Rahman Antulay, the chief executive of Maharashtra, had raised millions of dollars from people and busi-

nesses dependent on the state's resources and kept the money in a private trust.

The disclosures led to demands for Mr. Antulay's removal, and eyebrows were raised even in Mrs. Gandhi's party. Some of Mr. Antulay's defenders wrote that he was being unfairly attacked for what was a common practice. Others suggested that he was a target because he was a Muslim. Still others said the practice had "social sanction," the same phrase that was offered several months ago when another state chief executive tried to explain the blinding of about 30 robbery suspects in a high-crime area.

Ravi Gandhi, Mrs. Gandhi's surviving son, who entered politics after the death of his brother and who is seeking to project an image of rectitude, made it clear that he disapproved of Mr. Antulay's fund-raising. But under questioning by foreign reporters, he said that because Mr. Antulay had solicited traceable checks rather than cash, he seemed to have been guilty of "misuse of office rather than corruption."

While newspapers speculated for months on when Mrs. Gandhi might dismiss Mr. Antulay, there was no word from her office and in time the matter disappeared from the front pages.

Although the issue appears to have faded, it has not vanished. The Bombay-based Times of India recently published a front page cartoon showing Mrs. Gandhi reading a newspaper headline that says: "Top Reagan adviser resigns. Won't return until cleared of corruption charges." Behind her stands Rajiv Gandhi, who scratches his head and says, "Funny system."

U.S. Shows Caution on Future Aid For Poland

By Don Oberdorfer

Washington Post Service

WASHINGTON — The Reagan administration is reserving judgment on a \$3-billion aid program for Poland brought up by West German officials this week during the visit of Chancellor Helmut Schmidt, but it is actively considering new shipments of food for the Polish people, State Department sources said.

The sources said Thursday that the visitors advanced the \$5-billion estimate of Poland's needs from the West during 1982 without providing detailed data about how it might be used or who would supply it.

The United States and West Germany have taken a stand against supplying more government-to-government economic assistance while repression continues in Poland. But Bonn officials, saying that the new aid question is central to future developments, are more eager to discuss a future program than are their U.S. counterparts.

U.S. sources said a major aid program probably would be more difficult for Washington than Bonn after the crackdown, both for political and domestic economic reasons.

No Figures Cited

President Reagan, in announcing sanctions against Poland Dec. 23, pledged to "gladly do our share to help the shattered Polish economy" if the Polish government returned to the Gdansk agreement creating Solidarity and observed other basic human rights.

Foreign Minister Hans-Dietrich Genscher of West Germany, speaking Wednesday in Stuttgart after returning from talks in Washington, said West Germany would be prepared "to render financial assistance in a comprehensive way," in concert with other allies, to "a Poland which returns to the way of reform and renewal." No figures were cited in reports of Mr. Genscher's address reaching Washington.

Humanitarian aid to the Polish people through the Roman Catholic Church and private relief organizations such as CARE continues to flow, and State Department officials said there is active consideration of increasing the size of governmental assistance for such shipments.

A chartered freighter left New Orleans for Poland Sunday with 5 million pounds of U.S.-financed rice, flour and cooking oil supplied to Catholic Relief Services. This was the first installment in a \$30-million humanitarian aid program authorized before martial law was declared.

The Polish debt to Western commercial banks of about \$16 billion and to Western governments of about \$10 billion is a factor of potentially great importance to that country's economic future, but few decisions on debt questions have been made in the West in the weeks since the martial-law crackdown.

According to internal State Department memoranda quoted in Thursday's Wall Street Journal, Secretary of State Alexander M. Haig Jr. was advised Dec. 17, four days after martial law was declared, to ask American banks through the Treasury Department to continue their "eyeball-to-eyeball negotiation" with Polish authorities.

The recommendation from Lawrence S. Eagleburger and Robert D. Hormatz, who are high-ranking State Department officials, was made to maximize U.S. economic leverage on Poland, the article said.

The article said Mr. Hormatz reversed himself the following day because such U.S. advice at that point "would probably send the wrong political signal." Instead, Mr. Hormatz recommended that "the best course of action with the banks is simply to say nothing to them on the question of rescheduling."

Schmidt Reportedly Sees U.S. as Split on Poland Strategy

By John Vinocur

New York Times Service

BONN — Chancellor Helmut Schmidt believes that there are divisions within the Reagan administration about how to deal with the situation in Poland and questions whether the United States has thought out its strategy for dealing with a possible worsening of the Polish problems.

At the same time, reporters traveling back to Bonn with Mr. Schmidt were told that he was satisfied with his meetings in Washington this week with President Reagan, and in particular, with what was taken as a clear assurance to the chancellor that the Geneva talks between the United States and Soviet Union on middle-range nuclear weapons reduction would be insulated from the Polish crisis.

There was also an expression of satisfaction about a joint U.S.-West German statement in which the chancellor openly pointed for the first time to a Soviet responsibility in events leading to the imposition of martial law in Poland. Rather than as a change in Bonn's policy, the communiqué was portrayed as a West German success in having the United States adopt an attitude likened to the position taken by the European Economic Community countries on Monday.

The West German evaluation of the chancellor's talks with American leaders, which took place in an atmosphere of considerable tension, was outlined to Mr. Schmidt's traveling party, which returned to Bonn early Thursday.

Differences of opinion about Poland, they were told, were now not so much a matter among the NATO allies as within the Reagan administration.

The chancellor was understood to believe that there are two groups of competing thought among the policy-makers

with access to the president. One group was described as comprising those who believe that Gen. Wojciech Jaruzelski can be induced to offer more freedom to Poland as a result of Western threats and sanctions against the Soviet Union.

Members of a second group, considered more realistic by the West Germans, were described as believing that the best tactic was to try to hold the military government to its promises of continuation of reform policies started by the Solidarity trade union. Mr. Reagan is considered to be on the side of the "realists."

Mr. Schmidt, who has frequently stated his belief that sanctions are largely ineffective, was characterized as not seeing certain that the American follow-up would be if, using an example employed here, "you find two dead on the street in Katowice."

The West Germans, who are concerned about acting blindly, consider that so-called second- and third-level steps must be worked out, but, so far, Americans are regarded by the chancellor as not having developed a concept leading to that point. There must be continuing allied consultation on this level, it was said.

Relations With Weinberger

Mr. Schmidt was again described as having a high impression of Mr. Reagan, and that on his plane were told that the chancellor could take place, Mr. Reagan not unlike those he admired in former President Gerald R. Ford. Those qualities have been described as personal reliability and trustworthiness, simplicity of expression in its best sense and a refusal of intellectual games and complications.

It was apparent to those traveling with the chancellor that his relations with Defense Secretary Caspar W. Weinberger, with whom he spoke in Washington, were rather more formally correct. The meeting between the

men, according to one portrayal, involved mutual attempts at "education." West German officials have suggested that continuing Pentagon statements concerning alleged nuclear vulnerability have counterproductive effects on public opinion here.

Much of the characterization of the chancellor's trip seemed intent on dissipating the impression, increasingly present in parts of the West German press, that the government's initial attitude of extreme caution toward Poland had created a loss of confidence by the United States, and other NATO countries, in West Germany and in Mr. Schmidt.

There was considerable emphasis placed on what was described as "principles." The tensions that were the subject of so much talk were created by editorialists in American newspapers, rather than reality, it was said.

The West German role in providing the substantive content of the joint statement issued on Tuesday was emphasized, and Mr. Schmidt was said to have joined with Mr. Reagan in putting the finishing touches on the final draft.

The sense of these assertions — that there was no basic turnaround in West German willingness to confront the Soviet Union with its responsibility in Poland — seemed to be aimed at eliminating the impression that the West German position had become isolated within NATO.

Following this line, extremely critical comments from the French government about Bonn's recent attitude were portrayed as a reflection of French internal politics, in which the Socialist leadership of President Francois Mitterrand's government was mainly concerned with seeking to discredit the French Communist Party. Mr. Schmidt apparently feels that the French government's basic attitudes about Poland do not essentially vary from those of West Germany.

U.S. Gives Mexico An Assurance on Illegal Residents

The Associated Press

MEXICO CITY — Thousands of Mexicans living illegally in the United States still have all the protection of U.S. laws and are not facing the threat of immediate deportation, the U.S. Embassy said Thursday.

The embassy issued a statement saying about 115,000 Mexicans who were issued visas under what is called the Silva program have become permanent residents of the United States and that their status has not been changed. It said an estimated 85,000 Mexicans who applied unsuccessfully for Silva visas "must now apply for residence visas under normal procedures."

Hugo B. Margain, Mexico's ambassador to Washington, is being recalled to discuss the status of Mexicans living in the United States.

The U.S. Embassy said Mexicans in the United States "still have all the protection of U.S. laws which make it impossible for the U.S. government to force them to leave without consideration of each case and each individual circumstance."

U.S. Again Stirs Speculation on Soviet Talks

By Bernard Gwertzman

New York Times Service

WASHINGTON — State Department officials say that the Polish crisis has prompted new consideration within the administration of a possible meeting between President Reagan and Leonid I. Brezhnev.

The officials said Thursday that there had been no discussion with the Soviet Union about such a meeting since the imposition of martial law in Poland on Dec. 13, but they said the subject was likely to be raised if, as expected, Secretary of State Alexander M. Haig Jr. meets in Geneva on Jan. 27 with Foreign Minister Andrei A. Gromyko of the Soviet Union.

An aide to Mr. Haig said Thursday that, although he would not rule out the idea of a summit conference, he was skeptical that one would occur any time soon.

Intensions Unclear

At a news conference Wednesday, Mr. Haig drew attention to the possibility of a meeting between the American and Soviet leaders, but it was difficult to ascertain the conditions under which a summit conference might be held.

Greek Strike Extended Against Foreign Flights

Reuters

ATHENS — Ground crews of foreign airlines decided Friday to extend by three days a strike that has halted most flights in and out of Greece since Sunday, a spokesman for their association announced.

The staffs of Olympic Airways, the Greek national airline, and of Swissair have ended their strikes. Both airlines have agreed to pay the 25-percent increase demanded. According to the association, the other foreign companies have offered a 6-percent pay increase.

It was not clear whether the idea was being raised publicly by Mr. Haig as an incentive to the Soviet Union to ease the situation in Poland or whether the United States was contemplating such a meeting while martial law was fully in effect.

Another possibility was that the administration wanted to tell the United States' allies that, despite holding the Russians responsible for Poland, it was willing to talk to them.

When asked whether he meant to suggest that a summit conference might take place, Mr. Haig said he was talking about "communication in general at high levels, whether it be at the summit or at the foreign minister and secretary of state level."

"Clearly, it is the president's view that, while this is desirable at all times, in times of crises such communication may be even more important," he said. "The point I want to make is that the president is very sensitive to the requirement to maintain, rather than to terminate, communications in time of crisis."

Mr. Haig scheduled to fly to

Brussels Sunday for a special meeting of NATO the next day. NATO is expected to draw up a statement denouncing the Soviet Union for putting pressure on the Polish authorities leading to the imposition of martial law.

Since the Polish situation worsened, Mr. Reagan and Mr. Haig have kept alive the possibility of a Soviet-American summit conference.

December Interview

In an interview Dec. 23, Reagan said that, despite the Polish events, a "properly planned" meeting with Mr. Brezhnev was "likely" sometime in 1982.

When asked how he could consider a summit meeting in view of the crackdown in Poland, Mr. Reagan replied, "I think we're in the world together, and it doesn't mean that you can't talk and try to resolve your differences, but I think you go at it with some realism. So I have no objection to talking."

State Department officials said that Mr. Haig was not idly talking about the possibility of Reagan-Brezhnev talks. But they cautioned against assuming that a meeting was imminent.

U.S. 'Disappointed' by French Military Sale to Nicaragua

But Despite Disagreement, Paris Defense Minister and Haig Hold 'Very Positive' Talks

By Jim Hoagland

Washington Post Service

WASHINGTON — Secretary of Defense Caspar W. Weinberger said Friday that high administration officials are "extremely disappointed" at the French decision to open a military supply relationship with Nicaragua.

French Defense Minister Charles Hernu, who met with Mr. Weinberger on Thursday, told reporters Friday that the \$15.8-million contract with the Sandinista government — which the United States is attempting to isolate because of Nicaragua's support for leftist guerrillas in El Salvador — drew no expressions of disapproval from Secretary of State Alexander M. Haig Jr. or from Mr. Weinberger.

The French minister acknowledged, however, that there had

been "expressions of concern" by the two U.S. officials.

Dean Fischer, the State Department spokesman, said that Mr. Haig in his meeting with Mr. Hernu on Friday "registered his strong disappointment over the French decision to sell arms to Nicaragua." He added that Mr. Haig will discuss the matter with the French minister of external relations, Claude Cheysson, at a meeting of Atlantic alliance ministers in Brussels on Monday.

But despite the disagreement over Nicaragua, Mr. Fischer described the Haig-Hernu meeting as "very positive" and said both sides agree that their bilateral relations are "very good."

Letter to Reagan

Mr. Hernu gave Mr. Haig a letter for President Reagan from President Francois Mitterrand, but the contents were not disclosed.

Among the subjects Mr. Hernu discussed with both U.S. officials were Africa and relations with the Soviet Union.

Earlier Friday, Mr. Weinberger said in a televised interview that "all of us are extremely disappointed" by the French decision to sell military equipment — including two patrol boats, two Alouette-3 helicopters and a dozen trucks — to a country that has been heavily supported by Cuba and the Soviets and has taken positions in the area that we find very adverse to our interests.

Pentagon officials who asked not to be identified told The Associated Press that the French move was a "slap in the face," suggesting that Washington sees the Nicaragua contract as a new flashpoint of conflict with the Socialist government of Mr. Mitterrand, which has strongly supported the Reagan administration's tough approach to

the Soviet Union but just as strongly discredited from U.S. policies in the Third World.

In an hour-long interview here Thursday, Mr. Hernu said that France hoped "that America would welcome rather than criticize" the effort to keep lines open to revolutionary governments. "It is better that these countries turn to us for help than to turn to others," he added, in an evident reference to the Soviet Union. "We can discuss military arrangements with countries without posing ideological conditions. We have a liberty of action that the United States should encourage," since the alternative for most of these countries would be to become totally dependent on the Soviet Union, he suggested.

Mr. Hernu also made these points:

- He offered the clearest indication yet that France is currently conducting tests of enhanced radiation weapons. His government "will continue the studies and tests of the neutron bomb" that have been decided upon, he said, and Mr. Mitterrand is studying the question of production and deployment of the controversial battlefield nuclear weapon.

France has quietly been offering proposals to its European partners to open discussions on "modifications and new definitions" for the Atlantic alliance, which has been troubled in recent years by differing European and U.S. reactions to the Soviet intervention in Afghanistan, peace initiatives in the Middle East and the imposition of martial law in Poland. But he said the proposals, made in an effort to improve the cohesion of the alliance rather than to call it into question, were "not yet ripe for real discussion."

Arriving in Washington four days after completing an agreement in Cairo to sell 20 Mirage-2000 fighter bombers to Egypt, Mr. Hernu said he had come away convinced that Egyptian President Hosni Mubarak, while continuing the policy of peaceful relations with Israel, would also seek "better understanding, and diplomatic and intellectual help from moderate Arab countries" after the Israeli evacuation of the Sinai Peninsula is completed April 25.

French Nuclear Buildup

Mr. Hernu said the contract with Nicaragua called for the training of about 10 Nicaraguan pilots and technicians in France. A spokesman at the Elysée Palace said Thursday the contract was worth about \$15.8 million.

In his talks with Mr. Haig and Mr. Weinberger, Mr. Hernu un-

WORLD NEWS BRIEFS

No Harm to NATO Seen in Abduction

The Associated Press

ROME — Maxwell M. Rabb, the U.S. ambassador to Italy, said Friday that the Red Brigades had not destabilized the North Atlantic Treaty Organization by kidnapping Brig. Gen. James L. Dozier.

"We are all saddened by this brutal and cowardly attack," Mr. Rabb said. "However, I wish to state that this event has not altered in the least the closeness of relations between the United States and Italy. It has not touched the Western alliance."

Police searched hundreds of boats docked in a lake in northern Italy and hunting cabins on the shores of another lake in Tuscany after receiving tips that they would find clues concerning Gen. Dozier, who was kidnapped in Verona on Dec. 17. They found no trace of the general.

Sudan Universities Shut After Riots

From Agency Dispatches

KHARTOUM — Sudanese universities were ordered shut Friday following five days of violent demonstrations in which a student was shot and killed and two others were seriously wounded, the state radio announced.

The demonstrations were prompted by a 62-percent increase in the price of sugar. An official said 85 demonstrators had been arrested.

The rioters destroyed eight cars and four buses, looted a post office and ransacked a government office in east Khartoum, he added. He blamed the disturbances on "saboteur elements who wanted to politicize the issue of price rises."

French Left Fails to Agree on Poland

United Press International

PARIS — French Socialists and Communists failed on Friday to resolve their differences on the Polish crisis but reaffirmed their determination to cooperate in the French government.

After a special high-level meeting, the two parties admitted their failure to adopt a common stand. The communiqué cited continued "differences and divergences" on Poland, meaning the Socialists had failed to budge the Soviet-aligned Communists from their support of the Polish military crackdown.

The communiqué said the two parties had reached a "positive judgment" on the changes carried out since Francois Mitterrand, a Socialist, became president last May and formed a government that includes Communist ministers. The parties "confirmed their determination to mobilize popular opinion to support this policy," the statement added.

Afghan Rebels Claim Control of City

United Press International

ISLAMABAD, Pakistan — Afghan insurgents drove out pro-Russian defenders and occupied Herat, the third largest city in Afghanistan, on the second anniversary of the Soviet takeover, a rebel spokesman claimed Friday.

The rebels said the city, 392 miles (327 kilometers) west of Kabul, fell on Dec. 27, two years after the Soviet-backed coup in Afghanistan. There was no independent confirmation of the claim. The spokesman said 70 Afghan troops were killed in four days of fierce fighting. The report did not mention rebel casualties.

The report indicated the rebels continued to control Herat despite a counterattack by government forces that included bombing by Soviet-built MIG jets that killed 60 civilians. Guerrillas said 60 officials were brought before an Islamic court and sentenced to death on charges of cooperating with the government of Babrak Karmal. They did not say if the sentences had been carried out.

U.S. and Japan to Study Military Ties

United Press International

TOKYO — The United States and Japan agreed Friday to initiate studies on how they should cooperate in the event of a war in the Far East, Japanese officials said.

The agreement, announced after a one-day session of a bilateral security consultative group, committed the two countries to study responses to what were termed "emergency situations in the Far East."

A mutual security pact signed in 1960 commits the United States to the defense of Japan, but it does not specify Japanese responsibilities in case of a war elsewhere in the Far East. Sources said Japan's role would mainly involve facilities, transportation and maintenance. Japan's constitution renounces war but provides for self-defense.

Reagan Appoints Clark's Successor

The Associated Press

WASHINGTON — President Reagan ratified Secretary of State Alexander M. Haig Jr.'s choice Friday for the No. 2 and No. 3 jobs at the State Department in a shakeup triggered by the naming of William P. Clark as national security adviser.

Mr. Reagan announced he would nominate Walter J. Stoessel Jr. to be deputy secretary of state, second-highest post in the department, and Lawrence S. Eagleburger to be undersecretary of state for political affairs, the No. 3 spot. Mr. Stoessel, who succeeds Mr. Clark, now holds the job that Mr. Eagleburger is taking. Mr. Eagleburger currently is assistant secretary of state for European affairs.

In addition, Mr. Reagan appointed Powell A. Moore, a member of the White House's lobbying team, to be the State Department's liaison with Capitol Hill. Mr. Moore was nominated as assistant secretary of state for congressional relations, succeeding Richard Fairbanks.

Pentecostals Start Hunger Strike

Washington Post Service

MOSCOW — Two Soviet women who have lived in the U.S. Embassy compound here for three and a half years in hopes of emigrating to the United States have started a hunger strike to press their demands. Augusta Vaschenko and her daughter, Lydyia, who started the protest Dec. 28, are among seven Pentecostals who ran past Soviet police guards into the U.S. Embassy on June 27, 1978.

Mrs. Vaschenko and her daughter said that they would continue to take only tea and fruit juice until their problem is finally "resolved." While U.S. officials have not evicted the refugees, they have been hoping that the rebels would leave voluntarily.

Americans Seen on Verge Of Average Lifespan of 85

By Victor Cohn

Washington Post Service

WASHINGTON — Medical science is on the verge of extending the average human lifespan to 85 years, substantially beyond today's average American span of just under 70 for men and 67 for women.

The years up to 85, moreover, should mainly be healthy. But age 85 will be a "rather abrupt" wall for the extension of the lifespan of most people, however, since science may never be able to extend average life beyond that age.

This forecast was made to the American Association for the Advancement of Science in Washington by two Stanford University medical professors, authors of a study of how humans age and how aging is being drastically affected by medicine. In a scientific paper and in a new book, "Vitality and Aging," Drs. Donald Fries and Lawrence Crapo made two main points:

"Diseases can be eliminated, but the human lifespan seems fixed. That span seems to be about 97 years at its ultimate. Man in fact may have reached that limit 100,000 years ago. The oldest documented human age is 115 years, and claims of great longevity among various remote peoples 'have now been consistently shown' to be exaggerated."

Downhill After 30

There are many instances of life up to about age 97. Human organs, however, begin deteriorating at a slow but constant rate from about age 30. "And eventually," the doctors said, "they fail lethally in all of us at about the same age."

In practical terms, they said, once a larger number of avoidable diseases and accidents are eliminated, this should mean that 99 percent of Americans will die of old age between 73 and 97, with age 85 the average. Women are already dying only about eight years short of the 85-year average.

To a large extent, they said, "the medical and social tasks of eliminating premature death are largely accomplished." One major killer, smallpox, has been eliminated. The leading killer of 1900, tuberculosis, has declined by 99.5 percent in the United States. Other major diseases, such as heart disease and cancer, are beginning to be conquered by science.

Even though human organs inevitably deteriorate, the doctors added, it is still possible to increase physical efficiency throughout life. This, too, is happening today with an increasing emphasis on a healthier diet and exercise.

Americans, they said, "are on the verge . . . of becoming a society in which nearly all individuals survive in a healthier state to advanced age, and then succumb . . . over a narrow age range."

They said, however, that it is not impossible that the average age will one day be extended beyond 85, perhaps by genetic engineering or now unforeseen methods.

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Thai Crackdown and 'Opium War' Help Avert a Heroin Boom in Southeast Asia

By William Branigan

BANGKOK — Southeast Asia's Golden Triangle had a bumper crop of opium last year, but several factors — including a Thai government crackdown and an "opium war" among rival bands of traffickers — have combined to avert a boom in heroin production.

However, according to narcotics officials here, another crop approaching last year's 600 metric tons of opium is expected from the harvest beginning at the end of this month. In addition, the drug traffickers who operate in the region bordering Thailand, Burma and Laos are reported to be stockpiling large quantities of opium for future refining into its most rewarding derivatives — the No. 3 grade heroin called "brown sugar" and the purer No. 4 grade known here as "white powder."

Although heroin production from last year's crop has not measured up to expectations, drug enforcement officials said, enough is still being produced in the area to alarm Asian and Western governments. Relatively little of the Golden Triangle heroin has been reaching the United States. Most of it is distributed in the region or goes to Hong Kong and Australia, officials said.

A major reason for this is that severe

droughts in the area during the previous two years allowed traffickers of heroin from Afghanistan, Iran, and Pakistan to capture and consolidate European and American markets. Western drug enforcement officials said.

Golden Triangle traffickers have also been hurt by stricter enforcement of a two-year-old Thai law banning certain chemicals used for heroin production from border zones.

As a result, the price of the major ingredient, acetic anhydride, has risen 20-fold and two heroin laboratories have been forced to close, an official of the U.S. Drug Enforcement Administration said.

"Whatever they're doing is working," another narcotics official said of the Thai crackdown.

In addition, after a considerable delay that worried U.S. officials, the Thai government has begun to implement a plan to destroy opium poppy fields in 10 northern villages. Although a modest effort, it marks the first time that Thai authorities have coupled an opium eradication program with longstanding attempts to persuade villagers to substitute other crops for their poppies.

This substitution program, begun nearly 10 years ago, has failed to make much headway in the 200 to 250 Thai opium-producing villages,

which sometimes come under pressure from the region's "opium warlords" to keep growing poppies. However, Western officials here think eradication will have the psychological effect of encouraging more crop substitution.

The U.S. assistant secretary of state for international narcotics matters, Dominick Dicarilo, said the Thai program was the first in which crop substitution was being followed by eradication. During a one-day visit to Bangkok Wednesday, Mr. Dicarilo said the United States and other governments would be watching the program closely to see if it could be applied elsewhere.

In ordering the program to go ahead, Premier Prem Tinsulanonda said he wanted it to be "executed gently" so as not to antagonize the area's hill people, who share ethnic origins with tribes in neighboring Communist-controlled Laos.

The eradication had been scheduled to start in November, but Gen. Prem suspended it pending further study. Villagers reportedly complained that they needed more time to substitute crops such as coffee, cabbage, lettuce, carrots, strawberries and other fruits and vegetables for their opium poppies.

So far, Thai authorities have not encountered any resistance to the eradication effort,

according to the secretary-general of the Narcotics Control Board, police Maj. Gen. Pow Sarasin. He said Thursday that the authorities were trying to persuade the villagers to destroy their poppies themselves.

Drug suppression efforts have also been helped lately by fierce fighting in the Golden Triangle between rival gangs of traffickers. At least 20 persons were killed in continuing battles last month on the Burmese side of the border involving fighters from three tribes and remnants of Chinese Nationalist Kuomintang troops who fled China when the Communists took over in 1949.

Remnants of the Kuomintang's third and fifth divisions once controlled the bulk of the opium traffic from Burma into Thailand. However, in recent years they have been overtaken by several tribal warlords who head ostensible ethnic separatist movements seeking independence from Burma. The Burmese Communist Party, which controls a large area of northern Burma, has also become involved in the opium business.

Burma accounted for an estimated 500 metric tons of the last Golden Triangle opium harvest, the remaining 100 tons being divided between Thailand and Laos.

Gen. Pow declined to comment on reports that Thai authorities instigated the "opium war" last month as part of a plan to capture a notorious heroin kingpin, Lao Su.

However, Gen. Pow confirmed that three of Lao Su's four heroin laboratories just inside Burma were destroyed during an attack by Wa tribesmen.

Lao Su, who is of Chinese origin, escaped from a Bangkok hospital detention ward in mysterious circumstances in 1977 and was sentenced to death in absentia by a Thai court for heroin possession. He is reputed to operate under the aegis of the Golden Triangle's pre-eminent opium warlord, Chang Chi-fu, also known as Khun Sa.

Considered "enemy No. 1" by the U.S. Drug Enforcement Administration bureau here, Chang Chi-fu heads a Burmese separatist group called the Shan United Army made up of 3,500 to 5,000 guerrillas. Although he claims to be fighting for the independence of 80,000 Shan tribesmen in northern Burma, Chang Chi-fu's main business is drug trafficking. U.S. officials consider him the world's biggest narcotics dealer.

According to Gen. Pow, Chang Chi-fu has been forced to abandon his residence in the

Thai village of Ban Hin Taek and take refuge on the Burmese side of the border because of a Thai reward of \$23,000 for his capture. In addition, clashes have been reported recently between Chang Chi-fu's troops and Thai rangers.

The narcotics kingpin, said to run nine heroin refineries along the Thai-Burmese border, retaliated recently by offering his own rewards for information on Thai and foreign narcotics agents based in the northern city of Chiang Mai.

Because of an oversupply of opium, many traffickers have been stockpiling the drug, and its prices have plummeted, officials said. A year and a half ago opium was selling for \$400 a kilogram, they said, but it now costs about \$90 a kilogram, after a low in September of \$70 a kilogram.

However, since opium can be stored for about 10 years, narcotics agents said, many traffickers are content to wait. They hope the turmoil will abate and that they eventually will find a way to gear up their heroin refineries to full capacity.

Defendant Says CIA Officials Knew About Terrorist Training in Libya

By Philip Taubman

WASHINGTON — The man identified by the government as the supervisor of a terrorist training project in Libya has told U.S. prosecutors the operation was endorsed and put to use by two senior officials at the CIA when it began in 1976.

Douglas M. Schlachter, the man said to have been the supervisor, was at one time a business associate of Edwin P. Wilson, a former U.S. intelligence agent who has been accused of organizing the Libyan operation. Mr. Schlachter's lawyer said Wednesday his client had told prosecutors he briefed two high-ranking CIA officials about Mr. Wilson's activities at meetings in the Washington area in 1976 and 1977.

The lawyer, Alvin C. Askew, said the two officials had told Mr. Schlachter to carry out intelligence missions in Libya.

"There is tangible evidence, including documents bearing the signatures of senior CIA officials, showing that my client reported to, and received instructions from, agency officials," Mr. Askew said.

He identified Theodore G. Shackley and Thomas G. Clines as the CIA officials who dealt with Mr. Schlachter in 1976 and 1977. At the time, Mr. Schlachter was the chief deputy to the director of clandestine services at the agency. Mr. Clines was director of training in the same division. Mr. Clines testified from the agency in 1978. Mr. Shackley left the following year. Both have denied knowing of the project.

Mr. Schlachter's testimony was described by Mr. Askew after an appearance in U.S. District Court in Washington in which prosecutors announced Mr. Schlachter

had agreed to plead guilty to two counts of criminal conduct stemming from his work for Mr. Wilson. Mr. Schlachter was indicted in August on charges of illegally shipping explosives to Libya.

Other charges in the indictment were dropped by the prosecutors in return for Mr. Schlachter's cooperation as a witness.

According to investigators, Mr. Schlachter is the first person to provide detailed, firsthand information linking senior CIA officials to Mr. Wilson's operations in Libya. The Justice Department and the CIA, they said, have investigated the possibility of such links for several years with little success.

Two middle-level CIA employees were dismissed in 1977 after an internal inquiry on whether they were linked to Mr. Wilson. News accounts have quoted other former associates of Mr. Wilson suggesting officials at a much higher level endorsed the Libyan venture. But those suggestions, according to investigators, had not had such detailed support before.

While both Mr. Shackley and Mr. Clines have previously denied they knew of, or endorsed, Mr. Wilson's work in Libya, they acknowledged last year that they remained in touch with Mr. Wilson after he left government employment in 1976.

The CIA said Wednesday: "The Central Intelligence Agency has continued to search its files for documentary evidence of any official relationship between current or recently retired intelligence officers and Mr. Schlachter. Thus far we have found none. As we have said before, an investigation in 1976 of the entire Wilson-Terpil affair indicated that some employees had provided support to Wil-

son and Terpil without official agency sanction and action was taken against them."

Frank E. Terpil, another former agency employee, was indicted with Mr. Wilson in 1980 on charges of illegally shipping explosives to Libya and conspiring to murder a Libyan dissident living in Egypt.

Mr. Wilson and Mr. Terpil, according to investigators, signed a contract in 1976 with Col. Moammar Qadhafi, the Libyan leader, to sell their expertise in intelligence and military matters for the training of terrorists.

Last month, Mr. Schlachter returned to the United States from Beirut, where he had been living, and turned himself in. "He was technically guilty of several offenses," his lawyer admitted. However, he added, "Doug thought he was working for the United States government."

According to Mr. Askew, Mr. Schlachter was hired by Mr. Wilson in 1971 to help manage his farm in northern Virginia. At the time, Mr. Wilson was still employed by the CIA. In the mid-1970s, Mr. Schlachter was recruited by Mr. Wilson to work on other business projects and became involved in the Libyan operation.

Mr. Schlachter was never formally employed by the CIA. However, according to Mr. Askew, Mr. Schlachter became an unwitting agent while working in Libya. "The CIA knew what he was doing in Libya and approved it," Mr. Askew said.

He said: "My client met with Mr. Clines and Mr. Shackley several times. He told them what he was doing in Libya. He told them he was shipping explosives to Libya, that he was involved in training Libyans how to make bombs, and that Ed Wilson had recruited former Green Berets to help train the Libyans."

Mr. Askew added that Mr. Schlachter was given instructions by Mr. Clines to collect information on Soviet weapons and equipment in Libya. He said that as far as he knew, Mr. Schlachter had never received any payments directly from the CIA.

"He was getting paid by Wilson, which was the same as the CIA, or so he thought," Mr. Askew said.

Mr. Wilson and Mr. Terpil are now fugitives. Mr. Wilson lives in Tripoli, Libya, and Mr. Terpil was last reported seen in Beirut.



ALLEGED MERCENARIES CHARGED — Six of the seven foreigners arrested on the Seychelles main island, Mahé, after an abortive coup bid in November leave court in Victoria. All seven have been charged with importing arms and ammunition. Additional charges were expected. It was reported from South Africa, meanwhile, that 42 of the 45 alleged mercenaries who escaped on an Air India jet to South Africa have been charged as hijackers.

U.S. Court Prevents Restart of a Reactor Pending Study of Effect on Mental Health

By Joanne Omang

WASHINGTON — The U.S. Court of Appeals has ordered the Nuclear Regulatory Commission to keep the shutdown of Three Mile Island until it studies the effect that a restart would have on the mental health of people in the area.

The commission had been expected to allow the start-up in the next few weeks.

The 2-1 decision by the court Thursday is a major setback for

the financially strapped Metropolitan Edison Co., which owns the power plant near Harrisburg, Pa., and for the nuclear industry, which sees the case as precedent-setting. The citizens' group that brought the suit, People Against Nuclear Energy, of Middletown, Pa., was exuberant.

A group spokesman, James B. Hurst, said, "It means it's time to stop talking about psychological stress around here and to start dealing with it."

The ruling overturned a commission verdict early last year, which was reaffirmed this fall, that psychological effects did not have to be considered. The commission must now conduct an "environmental assessment" of restart effects on the "psychological health of neighboring residents and on the well-being of surrounding communities."

The commission must then determine whether the National Environmental Policy Act requires a more detailed environmental impact statement, which would include public hearings on the effects of a restart, the court said.

The commission may not decide on restarting the plant until that is done, it added. The decision could delay the restart several months.

In a strong dissent, Judge Malcolm R. Wilkey said it was "yet another example of a court inventing new procedural requirements for an administrative agency in a manner which has enormous substantive consequences."

Unit One was ready to begin operations the day the adjacent Unit Two overheated, on March 28, 1979, spreading radiation over the area, and has been closed ever since for design changes. Metropolitan Edison said it feared bankruptcy if it is not allowed to restart Unit One soon and apply the revenues toward cleaning up Unit Two.

A Military 'Wish List': Pentagon Sees Threat Of \$750-Billion Gap

By George C. Wilson

WASHINGTON — Pentagon officials have been told by analysts that President Reagan's plans to strengthen the country's military forces could cost up to \$750 billion more than the administration has earmarked for defense during the next five years, Pentagon sources say.

A report from the Defense Resources Board appears to have provided new evidence that the defense budget could increase beyond the \$1.5 trillion projected for fiscal 1984 through 1988.

[Defense Secretary Caspar W. Weinberger said that the Defense Department did not have "the slightest intention" of approving a build-up that would cost \$300 billion to \$750 billion more than projected. The Associated Press reported.

[Mr. Weinberger said in a television interview that the projected projection of such an increase over an estimated \$1.5 trillion was "simply a wish list and nothing more."

The term "wish list" is applied in the Pentagon to requests submitted by each of the armed services at the beginning of the budget planning process each year. Rarely do these lists escape major reductions by civilian defense officials.]

The gap between what it would cost to finance the Reagan defense plan as translated by the Joint Chiefs of Staff and the \$1.5 trillion in fiscal 1983 dollars that the administration has projected as the cost "could be as large as \$750 billion," according to estimates made in a report presented at a Pentagon meeting Thursday by Richard D. DeLauer, head of weapons research and procurement.

Sources said Navy Secretary John F. Lehman Jr. disagreed with the assertion that there would not be enough money to build a fleet that could give the United States maritime superiority over the Soviet Union.

count, adding over \$6 billion to it.

Traditionally, the full costs of weapons systems have been included in this account in the first year even though they are produced over several years; the Navy tried to avoid that rule this year. The obligation account is expected to rise from \$213 billion to between \$245 billion and \$255 billion from fiscal 1982 to 1983, depending in part on these bookkeeping questions.

The Defense Department plans its budgets in five-year sections. The Joint Chiefs of Staff, to help planners, annually produces a Joint Strategic Planning Document, saying what forces are needed to carry out defense policy. The cost of the forces listed by the chiefs was the issue in the report used by Mr. DeLauer and Mr. Korb on Thursday.

Entitled "Planning Defense Resources to Match Strategy," the report said that the gap between what the Joint Chiefs believe they need to carry out Mr. Reagan's defense strategy and the \$1.5 trillion in fiscal 1983 dollars expected to be available from fiscal 1984 through 1988 "could be as large as \$750 billion" for that five-year period.

The "best guess" is that the gap "will be about \$300 billion," the report said.

The \$1.5 trillion projected for fiscal 1984 through 1988 "will not meet" what is needed to carry out Mr. Reagan's defense program as set forth in a report sent to the military services.

The services would come up about \$75 billion short of what they need in that five-year period for new ships, tanks and missiles.

Russia Claims It Executed a CIA Spy

United Press International

MOSCOW — CIA agents posing as diplomats have been caught recently engaging in "espionage, sabotage and terror" against the Soviet Union, and one of their recruits has been executed by a Soviet firing squad, Pravda said Friday.

"CIA agents and spies are trying to acquire secret information about the defense potential, the armed forces, and about targets earmarked by the Pentagon for nuclear strike, and about the Soviet economy," Pravda said.

"A great many career personnel of the CIA who were working in the U.S.S.R. under the guise of diplomats were exposed by Soviet security bodies of late. Many of these CIA agents were caught red-handed while conducting espionage operations," it said.

A U.S. Embassy spokesman declined comment on the allegations.

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"A great many career personnel of the CIA who were working in the U.S.S.R. under the guise of diplomats were exposed by Soviet security bodies of late. Many of these CIA agents were caught red-handed while conducting espionage operations," it said.

A U.S. Embassy spokesman declined comment on the allegations.

Mr. Askew added that Mr. Schlachter was given instructions by Mr. Clines to collect information on Soviet weapons and equipment in Libya. He said that as far as he knew, Mr. Schlachter had never received any payments directly from the CIA.

"He was getting paid by Wilson, which was the same as the CIA, or so he thought," Mr. Askew said.

Mr. Wilson and Mr. Terpil are now fugitives. Mr. Wilson lives in Tripoli, Libya, and Mr. Terpil was last reported seen in Beirut.

Dixon Donnelley, Former U.S. Aide, Kills Self

Washington Post Service

WASHINGTON — Dixon Donnelley, 66, a specialist in Latin American and economic affairs who was an assistant secretary of state for public affairs in the Johnson administration and was an assistant to former Treasury Secretary C. Douglas Dillon, committed suicide Wednesday at his home in Bethesda, Md.

Mr. Donnelley, a former journalist, was assistant secretary of state from 1966 to 1969. He became special assistant to Mr. Dillon in 1961, when Mr. Dillon became secretary of the Treasury. He served in the same capacity with Secretary Henry H. Fowler after Mr. Dillon's resignation in 1965. He first worked for Mr. Dillon in the late 1950s, when Mr. Dillon was undersecretary of state.

After leaving the State Department in 1969, Mr. Donnelley turned for a short time to his old job at the Treasury, retiring from government service later that year.

He then worked as a private consultant in Washington and overseas.

A native of New York City, Mr. Donnelley attended Columbia University. He began his career as a journalist in the 1930s with the New York Daily News. He later

her political salon and was one of the trustees of the British Museum, died Thursday in London.

She was the wife of Lord Hartwell, chairman and editor in chief of The Daily Telegraph and The Sunday Telegraph of London. Britain's political leaders frequented the luncheons and dinners given by Lady Hartwell at her home in Cowley Street.

MEMORIAL SERVICE

On the 10th anniversary of the death of MAURICE CHEVALIER, the artist's Mass will be celebrated in his memory at the Eglise St. Roch, 286 rue St. Honoré, Paris 1^{er}, on Sunday, 10th January at 11:45 a.m. His friend, Father A.M. Carré, Dominican, will give the sermon. All those who knew and loved him are invited to attend this service or simply join in prayer.

OBITUARIES

worked for The Washington Post and the Washington Daily News. He joined the Foreign Service after World War II duty as an intelligence officer in the Army Air Forces.

Wally Post

ST. HENRY, Ohio (UPI) — Wally Post, 52, an outdoors for the Cincinnati Reds and Philadelphia Phillies from 1949 to 1963, died Wednesday of cancer.

Bill Crawford

WASHINGTON (AP) — Bill Crawford, 68, four-time winner of the National Cartoonists Society's award for the Editorial Cartoonist of the Year, died Wednesday of pneumonia.

Elmer G. Homrighausen

PRINCETON, N.J. (AP) — Elmer G. Homrighausen, 91, dean emeritus of the Princeton Theological Seminary, died here Monday.

William Clancy

NEW YORK (NYT) — William Clancy, 59, a Catholic priest and journalist who founded Worldview magazine, died Wednesday of cancer.

Lady Hartwell

NEW YORK (NYT) — Lady Hartwell, 67, who was known for

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NEW YORK **PARIS**

Emigrés: The Cubans...

Between April and October, 1980, more than 125,000 Cubans arrived in south Florida via the Mariel boat lift. Of this number, at least 22,000 had been taken from prisons and put on the boats by the Castro government; others were mentally ill or aged and infirm. What has happened to these people and to those who came of their own accord from Cuba in that mass exodus?

The surprising and impressive fact is that all but 2 percent have been resettled and are quietly earning a living and becoming Americans. This unheralded achievement is due in large measure to the efforts of the Immigration and Naturalization Service and the departments of State, Justice, and Health and Human Services. Credit also is due to the many voluntary agencies that worked to find sponsors for the Cubans and that provide continuing support. Unfortunately, the remaining 2 percent — those who have not been resettled — are the ones we read about.

To begin with the convicts: Contrary to popular belief, they have not been turned loose en masse to rape and kill on U.S. streets, as Fidel Castro perhaps intended. Admittedly, a number slipped through the net by denying their criminal past and were processed out into the community. Hundreds have been tried in U.S. courts for offenses committed since they arrived, some of them serious felonies.

But these numbers must be considered in context. Of those Cubans who came in the boat lift, 22,000 admitted to immigration authorities that they were convicts. They were

segregated and eventually gathered in a special facility at the Atlanta penitentiary. Each was then interviewed at least three times. Those who had been convicted of violent crimes, recent crimes involving moral turpitude, or multiple offenses of any kind, were kept in Atlanta. The others — some of whom were political prisoners in Cuba — have gradually been released to sponsors.

Only 1,500 of the most serious offenders remain in Atlanta awaiting deportation. Since Fidel Castro will not take them back, they may have a long wait. But their cases are regularly reviewed, and lawyers are active in their behalf to ensure that they receive the rights to which undocumented aliens are entitled. The United States does not have to accept them as immigrants and, in the absence of a court order, does not have to release them. To do so at this time, and after this extensive screening process, would be reckless.

The other problem group — the mentally ill and those with severe personality disorders — is at Fort Chaffee, Ark., and will soon be moved to a federal facility in Montana. Of these 400 or so, it is estimated that about half will eventually be sponsored and released. Others will be placed in institutions.

Fidel Castro undoubtedly thought he would embarrass and discredit the U.S. government by unloading his undesirables on the beach at Key West. He must be disappointed. Americans have accorded the migrants both charity and justice.

THE WASHINGTON POST.

...And the Haitians

Migration to the United States from Haiti, which had proceeded at a slow but steady rate until 1980, greatly accelerated in that year. In part because of economic and political conditions in Haiti, but also because of the open-door policy established for the Cubans by President Carter during the Mariel boat lift, citizens of the poorest nation in the hemisphere began to enter Florida in large numbers 18 months ago. Like the Cubans, they came without papers and without permission. The magnitude and hopelessness of their poverty drove them to the United States. Whether they should be given special congressional permission to stay is a question that needs to be answered soon.

A comprehensive immigration reform bill has recently been introduced in the House and Senate with bipartisan sponsorship. The bill would allow Haitians who entered the United States before Jan. 1, 1981, in the expectation that they would be granted the same refugee afforded the Cubans, to remain. Passage of this bill would directly benefit about 30,000 Haitians. In addition to these early arrivals, 9,000 others have entered illegally since the beginning of 1981. Some — about 6,500 — have been allowed to live temporarily in communities, mostly in Florida;

the others have been detained pending a determination of their status.

It is not evidence of racial prejudice for the U.S. government to detain any illegal alien. Some of the Haitians, will most likely be allowed to remain. Others who came long after the government had made its opposition clear will be deported, if it is determined on an individual basis that they came for economic rather than political reasons. Unlike the Cubans, they are not prohibited by their native country from returning.

One final distinction between the Cuban and the Haitian groups should be made. The Haitians came voluntarily hoping to better themselves in the land of opportunity and riches. A hostile government had not interpersed among them a large group of convicts and misfits. In an effort to monitor the behavior of Haitian illegal aliens living in south Florida, the Justice Department recently asked the sheriff of Dade County for a report on criminal activity by members of this group. He was able to come up with only two cases: a car theft and a family argument. That should reassure Americans that the Haitians who are allowed to remain will pose no threat to safety or peace.

THE WASHINGTON POST.

Social Security Scars

Pensioners on Social Security are breathing easier. A House-Senate conference committee has broken a deadlock and eliminated any possibility that the Social Security system would be unable to mail out checks in 1982. But the minor changes that were made in benefits will save only a few hundred million dollars a year. And the bitter struggle for even these modest changes shows how hard it will be to go further.

Last summer President Reagan asked Congress to cut Social Security benefits and tighten eligibility requirements. Fundamental change was needed, he argued, to avoid increasing the payroll tax. Mr. Reagan ran into an instant storm and backed down. But Congress did eliminate, starting this year, the \$122 minimum monthly benefit for pensioners who did not actually qualify for it.

It was a wholly defensible cut. Many of those affected are former part-time workers with good incomes, or retired public employees who worked just long enough in the private sector to qualify for a second pension. Some poor beneficiaries really need the minimum, but they would be eligible for at least as much from the means-tested Supplemental Security Income program. The change would thus have distinguished the truly needy from undeserving middle-income beneficiaries.

That argument, however, does not impress the pensioners' lobbies, which regard any reduction as a betrayal. Nor did it stop House Democrats from using the issue to embarrass the president. The House, switching positions, simply voted to restore the benefit.

That House bill was then sent to conference along with a measure to permit the old-age pension fund to "borrow" from the disability and hospital insurance funds. This

was a good idea, the House and Senate conferees agreed; it would give Congress a few more years to find a way to balance the system's accounts. But Senate conferees were determined to end the minimum benefit.

The compromise that was finally struck will eliminate the minimum benefit for future retirees. But a "grandfather" clause allows the 3 million pensioners already receiving it to keep on getting it. Inter-fund borrowing will be allowed, but only through this year. That time limit will force Congress to look again after the 1982 elections, when the risks of demagoguery may abate.

Everyone concerned is putting a good face on the agreement, but the scars show through. The saving is a fraction of the billions needed to save Social Security from bankruptcy. A study panel appointed by President Reagan, Senate Majority Leader Howard Baker and House Speaker Thomas P. O'Neill will look for a better remedy.

The outline of a fair approach has long been clear. Given the increase in life expectancy, the retirement age for maximum benefits should slowly be increased from 65 to 68. To eliminate "double-dipping," all government employees should be required to contribute to Social Security. And, by some means, benefits should be capped or reduced for retirees with above-average incomes.

Are these changes politically possible? The haste with which Congress and the president retreated this year is discouraging. It is hard to believe that another study panel will agree on an approach when others have failed. But the clock is ticking. Sometime in the mid-1980s the money will run out, and one way or another, reality will have to be faced.

THE NEW YORK TIMES.

Self-Deception in Sanctions Against Poland and Russia

By George W. Ball

The writer, a former U.S. under-secretary of state, contributed this article to The Washington Post.

WASHINGTON — In diplomacy, frustration makes bad policy. A handbook demonstration of that unpleasant truth is the Reagan administration's frantic effort in response to the Polish repression.

Sending food to Poland may strengthen an oppressive military regime; refusing food to a starving people provides the oppressors the excuse that short rations are caused by the United States' inaction. So far Western governments have resolved the dilemma

in differing ways. Though some are donating food and supplies, the U.S. government has followed the opposite course. By rejecting official food aid and denying the Poles the protein derived from fishing in U.S. waters, we run the risk of painting a pusillanimous grinace on the belated visage of a magnanimous Uncle Sam.

If there are inherent contradictions in our sanctions against Poland there is an unavoidable ambiguity in our efforts to penalize the Soviet Union. By concealing its hand in forcing Poland's military takeover, the Kremlin has encour-

aged these yearning for East-West tranquility to dismiss the problem as an internal Polish affair.

Meanwhile we deceive ourselves when we fail to acknowledge the constricting limits of our power in a world divided into what amounts to classical spheres of influence. No U.S. unilateral action short of war can ever persuade the Soviets to permit Poland to violate the quintessential Communist principle of strict party control. Nor will we force the Polish government to soften its repressive measures so long as Soviet pressure persists.

We learned — or should have

learned — that hard lesson in 1956 and again in 1968, but faith in our omnipotence dies hard. So we turn to the last resort of the wishful: bold talk of economic reprisals that can have little but symbolic effect. Only the denial of wheat shipments (which constitute three-fourths of our Soviet-bound exports) could cause the Soviets serious discomfiture, but the Reagan administration ruled that out by yielding to the farm lobby.

Since we cannot by unilateral sanctions alter Soviet policy, our current shadow play exposes our weakness rather than strength.

With our nonagricultural trade with the Soviet Union already whittled down by past sanction experiments, our punitive efforts appear more like those of a toothless poodle than a majestic lion.

Why, in view of all this, do we indulge in such posturing when our impotent gestures can bring no comfort to the Polish people? It is because, in trying to provide an outlet for our country's frustration, the administration is playing more for the effect in Florida than on world opinion.

Stopping Aeroflot from landing in New York or even putting high-technology shipments on license are as much metaphors as lighting candles in windows. One could not fault such symbolism if it did not encourage an unhealthy self-righteousness that contributes to the erosion of Western unity.

Few at the top reaches of the Reagan administration seem aware that the policies of our European allies are conditioned by factual situations materially different from our own — or if they know it they do not say so. Nor do they realize that the damage to Western cohesion may far exceed the exigent effectiveness of sanctions that are more shadow than substance.

Though we can, at minimal cost, curtail our limited nonagricultural exports to the Soviet Union, it is like pushing thumbtacks into an elephant's hide. By contrast the denial of West European trade would cause the Kremlin excruciating pain, but at a disastrous cost to several European countries.

Nor is the difference in opinion on the two sides of the Atlantic based solely on economic factors. Though American lives would not be immediately affected by deteriorating relations with Moscow, West Germany finds some residue of détente essential.

If Americans understood why West European governments are more reluctant than ours to take punitive measures against Russia, they would show less sanctimonious pride in our bargain-basement gestures and feel less resentful at Europeans who do not automatically behave as we do. When we ever learn that the maintenance of Western unity is far more important than hectoring Moscow ineffectively?



Temptation to Pull Troops Out of Europe Is Treacherous

By R.G. Livingston

The writer is a research professor at Georgetown University's School of Foreign Service and a former president of the German Marshall Fund. He wrote this article for The Washington Post.

WASHINGTON — As tensions between the United States and the Soviet Union mount, it is bizarre to hear calls to pull our troops out of Europe. Even senior U.S. government officials have been hinting recently that we might punish wavering allies in this fashion.

Some editorialists go further, saying our allies do not deserve our protection if they do not increase their defense budgets as we do, adopt our boycotts against Iran and Russia, back to the hilt NATO decisions on deploying new nuclear weapons, and most crucially, line up behind us to punish the Polish and Soviet governments for trying to crush Solidarity.

But brandishing our ultimate leverage may unhinge a good deal more than we imagine. The security advantages of having 350,000 troops in Europe are as great and obvious today as ever. The troops, equipment and bases also remain essential to military objectives in the eastern Mediterranean, Middle East and Gulf. There is a deeper political aspect, too.

NATO was conceived to provide security not only against a Russia that is aggressive but also against a Germany that once was aggressive. Together with the European Economic Community, the alliance is a framework within which German talents and energies turn to constructive and cooperative use.

At the behest of the West European nations that were victims of

the Third Reich, the United States three decades ago exacted a price from the Germans when they joined NATO — a price they willingly paid and still pay. German sovereignty is uniquely limited: Germany renounced having its own army and placed the Bundeswehr under NATO — U.S. — command. It also forswore production and ownership of atomic weapons. It is Americans who must decide whether to fire the 6,000 nuclear weapons oom on West German soil.

The West Germans — all our

NATO allies, in fact — exacted a corresponding price from us, of course. U.S. soldiers on the ground, and in sufficient numbers to make it inconceivable that we would ever sacrifice them, are what makes the alliance credible to the Germans and what makes the limitations on their sovereignty acceptable to them.

Start to remove U.S. troops and to degrade NATO, and we invite the Germans to consider nationalism, neutralism, and collusion with Russia.

This follows because Germany

is unique among our allies in one other crucial way: the nation is divided into two states. Any government — Christian Democratic or less than Social Democratic — is obliged constitutionally to pursue reunification and politically to keep open the door to every feasible reassociation with the German Democratic Republic.

Inter-German relations are therefore more important in Bonn than Poland is, as Chancellor Helmut Schmidt demonstrated in his reaction to the crackdown on Solidarity that took place during his

visit in East Germany. A Soviet takeover in Warsaw — as distinct from a Polish military dictatorship there — would lead inevitably to a tightening of the Soviet grip on East Germany. Russia's ultimate leverage with Bonn lies in its power to close East German ports.

If we compel the Germans to re-think their allegiances, the reconciliation will be agonizing and the outcome uncertain. A German debate on *Westbindung* (links to the West) and *Wiedervereinigung* (reunification) would stir deep emotions and fears in Europe. Neutralism — and — accommodation with Russia might be live options.

Dashing Polish Hopes in 'the Good Germans'

By Leopold Unger

BRUSSELS — The Poles have learned not to look to the sky for military help from the West; they learned that in September, 1939. And last Dec. 13, they knew that the only thing they could get from a united Western world was an onslaught of good wishes.

Still, the New Year gift they received from West Germany was more a shock than a surprise. The outpouring of caution from Bonn after the Warsaw coup was a throwback to 1938 for the Poles, when Churchill said, after Munich: "They chose dishonor to avoid war; they will have both dishonor and war."

All in Poland are fully aware of West Germany's very particular relations with Eastern Europe, and all agree that West Germany has obtained many serious and important advantages from détente within the framework of its Ostpolitik. West Germany is the Soviet Union's No. 1 trading partner in the West, as well as the first for the East Bloc as a whole, with a total of \$16 billion worth of exchange in 1980.

Bonn would risk losing these advantages if it were to follow Washington's demand for the imposition of sanctions on Poland and the So-

viet Union. The recent natural gas pipeline contract, worth billions of dollars by itself, is an example of what is at stake, as is the fact that West German banks are owed a solid third of Poland's foreign debt. These banks want stability at almost any price, for if Poland were to default, several West German banks would face bankruptcy.

Chancellor Helmut Schmidt has shown an amazing degree of discretion for yet another, more humane reason: Millions of German families were divided by the creation of the two Germanys and any deterioration of relations would amount — as has been the case before — to a break, or lessening of contacts.

And since Mr. Schmidt's Social Democratic Party is far from certain of winning the next elections, one cannot be too cautious.

The Poles never had any illusions about East Germany, better known in Warsaw as Red Prussia. Now, however, they have lost any they might have had about "the good Germans."

Because it did not want to revise its Ostpolitik, West Germany simply revised the facts. It is Bonn that invented the two theories in favor of the putschists and against the independent union Solidarity. The first was the myth that the coup was an internal political affair. And even now that no one, from President Reagan to Enrico Berlinguer, head of the Italian Communist Party, makes the slightest pretense of believing that fable, Bonn insists on it.

The second of these theories, perhaps more pernicious than the first, is that the only choice in Poland was between a Polish invasion and one from the Soviet Union and that Gen. Wojciech Jaruzelski was "Poland's last chance." This is a denial of the evidence that the real choice was between Polish intervention and a national dialogue among Poles.

And even today, when no one, except Georges Marchais, head of the French Communist Party, believes that Gen. Jaruzelski ever held any desire to enter into a dialogue with Solidarity to try to find a modus vivendi, Bonn insists that fable, too.

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The Scapegoating of Allen: Hard-Lining Is Downgraded

By William Safire

WASHINGTON — After being exonerated by the Justice Department and declared clean as a hound's tooth by the White House counsel, longtime Reagan loyalist Richard Allen was asked to step down as national security adviser. The reason given him was that he would continue to be a target for the press and the House Democrats.

Coming from a president who has kept on William Casey and David Stockman despite the same likelihood of flak, that is not credible. The real reason is that the notion of downgrading the office of national security adviser has flopped and Ed Meese needed a scapegoat.

As pointed out here months ago, the failure of foreign policy formulation lay on the perpetratee himself as the all-round issues guru for both domestic and foreign policy, he was hamstringing the NSC and demoralizing its staff.

The brouhaha over Allen's mental lapse after intercepting an envelope containing \$1,000 provided Meese, whose power is ebbing as his political yearnings turn westward with a convenient excuse for correcting his original decision about lines of authority without admitting error. The appointment of a new man meant that a new

system could be put in without loss of face by any member of the White House Troika.

The selection of William Clark, who has served as President Reagan's ambassador to Algeria for the last 11 months, is being described as a significant "upgrading" of the national security adviser's job and as a change of White House leadership from Troika to Quartet. It is neither.

Yes, the new national security adviser will personally brief Reagan without the accompaniment of other bureaucrats, an opportunity denied Allen. In the case of a foreign policy expert, such unimpeded proximity is power. But in the case of an admitted non-expert, the question becomes, Who will brief the brief?

Clark is an intelligent and quiet-spoken fellow; although only newly versed in foreign affairs, he is expected to use his talents as a mediator to adjudicate disputes between Secretaries Haig and Weinberger. He is there to split differences, not to overlay a well-tanshauing that used to be a requirement of the job.

The Meese-used Allen is being depicted as no great strategic brain, but when he was warned of the "wave of pacifism" in Europe last spring, he was derided by the very pundits and cookie-pushers who now realize how right he was. His ouster means that hard-lining has been downgraded and Haigian power plays will go unrecognized.

Take the "Scowcroft play," for example. No sooner had Clark been introduced as Mr. Foreign Policy at the White House than State sources leaked word that Brent Scowcroft was the leading candidate to be appointed Haig's emissary to the Israeli-Egyptian autonomy talks. That was a deception; Scowcroft had not been asked, and his Arab business associations would present such a clear conflict of interest that he would almost surely decline. The intent

may have been to bestir Jewish leaders to protest, enabling State to avoid appointing anyone until after the return of the last third of the Sinai in April.

Another White House balloon that deserves deflating is the notion that the Troika — Messrs. Meese, Deaver and Baker — is now to change to a Quartet. The fact is that two of them are afflicted with terminal lame-brainness: Meese is advertising his Californian political availability and Deaver is either advertising for clients or getting ready to leave lest he be asked the same questions that he demanded be asked of Allen.

Perhaps Reagan was persuaded that Allen's presence made him politically vulnerable, or perhaps he felt guilty at the graceless way he let a loyalist dangle, but the result of the scapegoating is that Reagan is now the only card-carrying hard-liner in the White House with access to the Oval Office.

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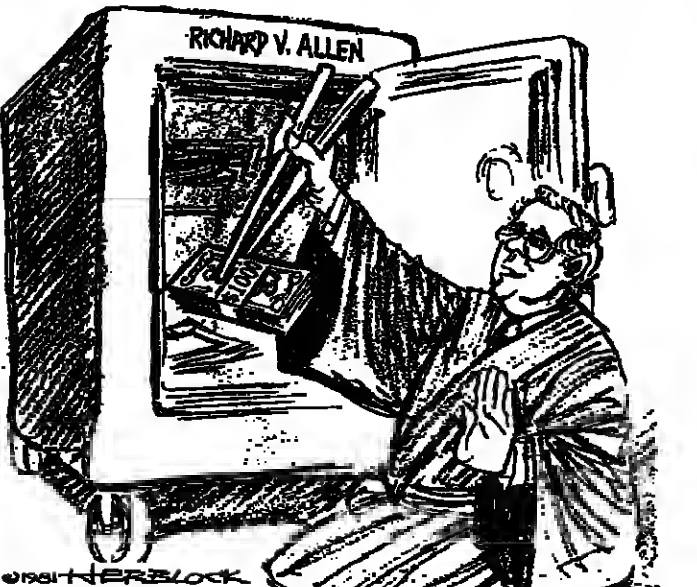
Jan. 9: From Our Pages of 75 and 50 Years Ago

1907: Death of the Shah

TEHRAN — The Shah of Persia passed away at his palace in Tehran last night at the age of 53 after a long illness. No public announcement has yet been made, but soon after sunset the harem doors were closed, and this was the sign that all was over. Conditions in Persia are unsettled by the death of the ruler and the outlook is problematical. The Shah was a good Muslim, but he had broad and liberal ideas. He did his utmost to get some knowledge of the colossal mechanism of life in Europe, which he spoke of constantly. In 1906 it was announced that Persia was to have a representative assembly elected by the mullahs, merchants and landowners, of which the Shah himself was to be president.

1932: Hirohito Is Attacked

TOKYO — Emperor Hirohito narrowly escaped death today when a Korean workman hurled a bomb at the imperial coach. This dramatic event came as a climax to the receipt of a note from the United States warning it will recognize no arrangement Japan may make with China as a result of military conquest. In Washington, while emphasizing that the United States has no quarrel with Japan, Secretary of State Henry L. Stimson indicated today that the United States is prepared to stand alone to uphold the open-door policy in the Orient, should other nations fail to give support and invoke the Kellogg pact and the nine-power treaty over the Manchurian situation.



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Arts Travel Leisure

INTERNATIONAL
Herald Tribune

Weekend

A Walking Tour: Wren's Churches In London

by R.W. Apple Jr.

LONDON — Probably none of the world's great churches bears the imprint of one man as clearly as St. Paul's Cathedral, London, bears that of Christopher Wren. But if that elegant Baroque masterpiece proclaims Wren's genius as a manipulator of volume and a synthesizer of contradictory details, his churches in the City of London demonstrate that he was a gifted miniaturist as well.

When the Great Fire of 1666 swept through the City — the congested area where London had its beginnings and where its financial activities are concentrated to this day — it consumed not only the old St. Paul's but also most of the 97 parish churches. Wren was then 34 years old and teaching at Oxford; through his friendship with Charles II, he was commissioned to rebuild not only the cathedral, but also no fewer than 51 churches.

In lesser hands, the churches might have ended up looking alike; in his, each looked distinctive. As Sir John Bejman, the architectural historian and poet laureate, has written, they had only two things in common — prominent fountains and prominent altars with carved and painted altarpieces.

"Thus were emphasized," says Sir John, "the two sacraments essential to salvation, baptism and Holy Communion." But in every other way, Wren's churches varied widely: some were brick and some were stone; some had

himself or herself; the more ambitious might want to do a bit of homework beforehand, for which I would recommend the appropriate pages in "The Churches of London and Westminster," the first of two volumes that Sir Nikolaus Pevsner devotes to London in his monumental survey "The Buildings of England" (Penguin, available in Britain for about \$23). I have here made a purely personal choice, based on long, fruitful hours of exploration during lunch breaks. The New York Times' London bureau being happily situated within a few minutes' walk of the best of Wren's handiwork.

A good place to begin is at All Hallows-by-the-Tower, which stands close to the Thames in the shadow of the Tower of London (you can get there easily by taking the Underground to the Tower Hill stop). Like many of the City churches, it is an oasis of calm amid the roaring traffic that often makes it hard to imagine that anything predated the internal combustion engine. It was from this church, spared in the Great Fire, that Samuel Pepys gazed upon the smoldering ruins to observe, as he recorded in his diary for Sept. 5, 1666, "the saddest sight of desolation that I ever saw."

All Hallows dates from Saxon times, probably from the seventh century. It was saved in 1666 by Admiral Sir William Penn, who ordered his sailors to blow up the houses near the church, creating a firebreak. (The admiral's son, also named William, was baptized in the church and later went on to found Pennsylvania.) German bombers were more effective in December, 1940, destroying all but the crypt, a few walls and the tower, so that what you will see is mostly a reconstruction.

The visit is nonetheless worthwhile, largely because of the baptistry in the southwest corner, outside which stands a fine eighteenth-century arch, and in which stands one of the greatest works of England's master woodcarver, Grinling Gibbons. It is a limewood cover for the font, showing three cherubs prancing around a pillar of grain and flowers, with a dove on top. Notice how Gibbons gave each of the cherubs an individual personality.

Emerging from the church, take the pedestrian subway to the other side of the street, turn left and then bear right on Great Tower Street. Two blocks farther along, recross the street and walk down Idol Lane. In a moment, you will see a church tower. Stop and look at it from there; the closer views are not as good. This tower, which is all that remains of St. Dunstan-in-the-East, is probably Wren's best work in the Gothic style, an airy confection of four tiers whose spire is poised on flying buttresses. Trees grow where the nave of the church stood before 1940.

Now bear right (you have no choice) into St. Dunstan's Lane and, after a few steps, turn right up the street called St. Mary-at-Hill to the church of the same name. Just beyond a clock projecting from an almost plain wall, you will see a blue sign marking a passageway that leads to a courtyard and to the door of the church — one of Wren's loveliest creations, with a great Palladian window at the east end and superb woodwork of the 17th, 18th and 19th centuries (altarpiece, pulpit, staircase, organ case). A shallow dome rises above the center of four intersecting barrel vaults, all in pale blue, white and gold plaster that lends an air of ineffable serenity. It is in the style of Robert Adam and hence technically inappropriate, but never mind; it works. As Pevsner points out, the layout is that of many Byzantine churches, which Wren probably adapted from a church at Haarlem in the Netherlands.

Returning to the street, turn right, pausing first to look left at the tower of Wren's St. Margaret Pattens. The building in front of you as you walk down the hill is Billingsgate Market, the home of London's fish merchants, soon to be closed. Smell what you still can. Turn right again along Thames Street when you reach it and walk a couple of blocks to the church of St. Magnus the Martyr. This church, distinguished by a 180-foot tower with a gold weather-vane, was Wren's welcome to pedestrians crossing the old London Bridge from the south, who passed under the arch in the porch. The interior, which T.S. Eliot said evoked the



"inexplicable splendor of Ionian white and gold," is one of the architect's richest.

Make next for the tall monument to the north, walking up Fish Street. This is, in fact, The Monument, Wren's memorial to the Great Fire, which is 202 feet tall and stands 202 feet from the baker's shop in Pudding Lane where the blaze is said to have begun. Don't bother to climb the 311 steps; ugly office slabs now obscure the view. Instead, turn left into Monument Street, then right into King William Street, then left again (through the pedestrian subway) into Cannon Street. After two blocks, you will reach Abchurch Lane, which leads to a lovely little piazzetta next to St. Mary Abchurch, a tiny gem.

Here you can see Wren's sleight-of-hand at work. Squeezed into a site barely 80 feet square, the church is entirely anonymous, even drab, from the outside. But, as Pevsner says, "the interior is a surprise, for though the area is small, it is made to look very spacious indeed by giving it one big dome on eight arches." The dome cannot be seen from the street. The exquisitely detailed reredos, or altar screen, is by Gibbons; there are documents to prove it. This church, little visited, is sometimes locked; inquire at the pub nearby if need be.

Continue up the lane, turning left into King William Street (again) and following the sidewalk around to the left when you reach the big intersection ahead. The huge building ahead of you is the Bank of England; the church on your right is St. Mary Woolnoth by Nicholas Hawksmoor, another English master of the Baroque, and is well worth a visit if you aren't pressed for time. Turn left just beyond the Mansion House, the seat of London's Lord Mayor, into Walbrook, and you should see the tower of St. Stephen Walbrook rising just ahead of you.

This church is undergoing extensive restoration and may still be closed when you get there, but it is worth checking. For here Wren designed a dome prefiguring that of St. Paul's, coffered on the inside in the style of the Pantheon in Rome, and here he demonstrated, in Bejman's words, "how to make a plain rec-

tangle interesting and full of vistas." It would never occur to you that the space was rectangular unless someone told you, for Wren has combined a basilical plan — an oblong with a projecting apse — with a Greek cross with a dome, filling the whole with a white forest of slender Corinthian columns that seem to lead toward infinity. For me, this is the most majestic and intellectually exciting building in the City — and that includes St. Paul's. I hope you see it.

By now it should be time for lunch. Walk straight out of the church and up a street called Bucklersbury, crossing Queen Victoria Street; when you reach Cheapside, turn left. On your left, just after crossing Queen Street, you will see St. Mary-le-Bow, our next goal, and right behind it, at 10 Bow Churchyard, the Bow Wine Vaults. Here they will give you a couple of glasses of decent Beaujolais, homemade soup, an ample slice of rare roast beef, a salad and coffee, all for the equivalent of about \$8, which isn't bad for London these days. (If you are feeling flush, Le Poulbot, a few yards farther along Cheapside, will feed you the City's best French cooking for about \$50 a head, if you order a simple wine.)

Bow church itself boasts Wren's most famous steeple, full of the gentle fantasy that this bappy man loved. The church took its name from the Norman arches or bows in the crypt, so Wren embellished the architectural pun by putting stone arches at each corner of the balustrade topping the belfry. The belfry itself is the home of "Bow Bells," which are woven into the folklore of Britain. A true Cockney, it is said, is someone born within the sound of these bells; during World War II, their recorded peal was broadcast worldwide by the BBC and came to symbolize liberation in millions of people in occupied Europe. The interior, completely rebuilt since 1941, is pleasant but less interesting. I would spend most of my time here standing at the foot of the nearby statue of Capt. John Smith (of whom more later), studying the tower and the 8-foot-10-inch winged copper dragon on the top.

Continue down Cheapside past Foster Lane, pausing there to enjoy the unaccustomed rear

view of St. Paul's, then bear right into St. Martin-le-Grand. When you see a round building looming ahead (this is the London Museum, which should be visited on another day), turn left into Little Britain and follow it, bending first right and then left, until you stand on the edge of a great open square. On your right you will see a passageway leading beneath a 15th-century gate.

The gate was originally the entrance to the nave of St. Bartholomew the Great, and the courtyard you cross was the nave itself. What is left of the church is the crossing and the chancel of the great abbey church, built in 1123 and mostly destroyed by Henry VIII in 1539, but even the stump is breathtaking — the most powerful of all the City churches, in my view, and the only one largely in the Norman style brought to England by William the Conqueror. The massive round piers, the plain but sensitively scalloped capitals and the gallery above, with four arches within each larger arch, show Norman Romanesque at its most movingly somber. The lady chapel, behind the high altar, looks effete by comparison.

Walk south now, with the square on your right and St. Bartholomew's Hospital on your left. When you reach the Holborn Viaduct, turn into St. Sepulchre, architecturally the least distinguished church, perhaps, on our tour, but a fascinating place all the same. It is the biggest church in the City, an amalgam of pre-Fire and post-Fire styles that ends up by looking Victorian.

For music-lovers, the point of attraction is the chapel off the north aisle, with a book of remembrance devoted to famous musicians, kneeling cushions embroidered with their names and the ashes of Sir Henry Wood, the much-loved creator of the informal, popular Prom concerts. The church also contains a superb old organ played by Handel and Mendelssohn. And Americans will not want to miss, in the south aisle, the tomb of Capt. John Smith, "some time governor of Virginia and admiral of New England."

Next, cross Holborn Viaduct and walk down Old Bailey, the street that houses London's famous central criminal court, turning left at Ludgate Hill, up which the royal coaches and horses told for royal weddings and jubilees. The facade of St. Paul's, Wren's undoubted ecclesiastical masterpiece, towers above you. The present cathedral, the fourth or fifth to stand on the site, came to be a symbol of survival for London and the nation during the Blitz, defying even the smoke and flames of the raid of Dec. 29, 1940, when the City and the docks were engulfed by fire. Against the pale dawn sky, serene and unmarked, the great 250-foot-high dome provided reassurance that Britain had lived to fight yet another day.

A few days before the Great Fire, Wren had visited what was then St. Paul's to see what could be done to save the decaying fabric of the 13th-century cathedral, with its 17th-century classical facade by Inigo Jones. The conflagration was devastating; after the fire, Wren wrote in his diary, "St. Paul's is now a sad ruin and that beautiful porphyry now rent in pieces."

What Wren put in its place — beginning on June 21, 1675, and ending 33 years later, when the architect, by then 75 years old, saw his son fit the top stone into place on the lantern — has changed relatively little over the years. An enormous structure, covering 78,000 square feet, it is dominated inside and out by the dome (by two domes, in fact; the one seen from the outside is not the one seen from the inside, there being three concentric shells).

Outside, the impression is of restraint, of a classicism that is just yielding to the Baroque. Inside, one is overwhelmed by the volume of enclosed space, by the warmth of the stone and finally, as one reaches the crossing, by the gold and mosaic work. Even here, however, the English taste for understatement is evident — St. Paul's has little in common, for example, with the exuberant encrustations of Bavarian and Austrian Baroque churches.

Walk slowly down the nave in order to sense the full splendor of the crossing and the dome. If your taste runs to fantasy, you might try to imagine what it was like for Lady Diana Spencer, as she then was, to walk those 180 feet with the world watching. You can climb, if you

wish, to the Whispering Gallery, where the state trumpeters were placed for the royal wedding. Then spend some time studying the memorials to eminent Britons — the Wellington monument on the left of the nave, statues of Joshua Reynolds and Dr. Johnson, among others, by the dome piers, and a tablet marking the position of Churchill's casket during his state funeral on Jan. 30, 1965. The work of Gibbons is all around, in stone this time, a profusion of cherubs and swags and garlands.

Before leaving, descend into the crypt. I had never seen it until the morning of the royal wedding, when the reporters were let out of the church by that route. It seemed eerily appropriate, somehow, to see there the dozens of tombs, memorials and busts (tributes to Nelson and Lawrence of Arabia among them) after all the magnificence that had just unfolded overhead.

Emerging from the church, walk straight down the hill, under the railway bridge, across

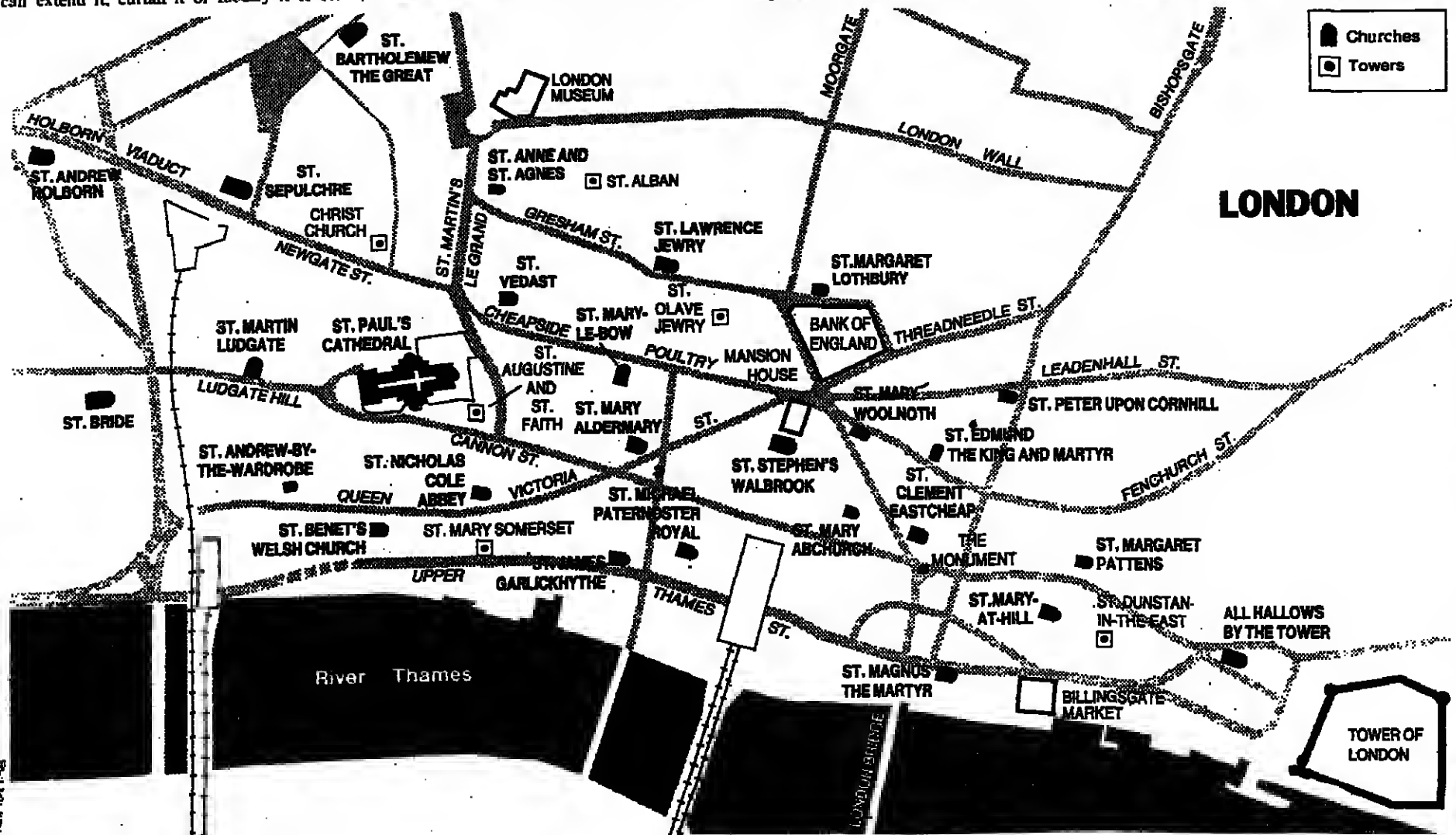


Christopher Wren in a 1711 painting by Sir Godfrey Kneller. Wren is buried in St. Paul's, his masterpiece. A simple plaque above his tomb says in Latin: 'If you seek his monument, look around you.'

Ludgate Circus and into Fleet Street. At the first intersection turn left to St. Bride, which is of interest for two reasons: its wedding-cake steeple, with four octagons stacked one atop the other, at 226 feet, loftier than any other Wren creation; and the list of its onetime parishioners. You cannot fail to see the steeple on your way down Ludgate Hill.

When you enter the church — the interior has been rebuilt since World War II — consider for a moment those who have stood on this spot before you: Chaucer, Shakespeare, Milton, Pepys, Dryden, Johnson and Boswell, Burke, Pope, Wordsworth, Keats, Dickens.... Since this is still the newspaper neighborhood, there are plenty of pubs in which to rest your feet and slake your thirst; the Cheshire Cheese is in a courtyard just up Fleet Street. Down New Bridge Street toward the river is the Blackfriars Underground station, where you can catch a train back to your hotel.

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The art market

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Arms and the Man Who Bares Them

by Alan Levy

BIRSFELDEN-BE-BASEL, Switzerland — Though the name of Capt. Adolf Franz Joseph Karlovsky resonates with the clash of two world wars and the crash of empire, today it symbolizes an unlikely entente between Ronald Reagan and the ancient art of heraldry.

Karlovsky, now 59 years old, was one of hundreds of Czechoslovak émigrés who settled in Switzerland in 1969, a year after the Soviet-bloc invasion of his native Prague — when Gov. Ronald Reagan of California heard from an American "institute" that it had traced his roots back to the Regans of Ireland. This heraldic clan's ancient shield, described as "a chevron ermine between three fish azure," could be had for a price, the institute said. A rough sketch was enclosed, along with a business-reply envelope for prompt prepayment.

Reagan wondered why his family had "somehow forgotten" to mention this "fact" to him. When he reported it to an aide of Czech extraction, he was told: "My brother has a friend who is an expert. Let him look at it." So Capt. Karlovsky was sent the institute's materials plus a detailed biography of Reagan. He was quick to pronounce the findings "fraudulent" and in inform the governor he had no noble bearings.

Both Reagan and his wife were taken with Capt. Karlovsky's style and candor, so they were intrigued when he added that "should you truly wish to secure genuine, legal armorial bearings for yourself, your offspring, and descendants, I could create character, but, totally new, bourgeois arms with free assumption and legal registration."

This particular wrinkle, Karlovsky explains, dates back some seven or eight centuries to medieval Swiss tradition. Because there was no royal ruler to grant noble titles, the landed gentry — many of them illiterate — set up a system of seals and emblems with which to affirm their signatures and assert their property rights. Strict laws — carrying penalties akin to those for plagiarism — were imposed in various cantons against misuse of such coats of arms, but you don't have to be Swiss to create and register your own family crest, so long as it is done in an approved heraldic manner.



Ronald Reagan's coat of arms.

"Every man or woman," Karlovsky says slyly, "has the right to bear arms."

When the Reagans commissioned him to come up with a coat of arms for them, Karlovsky sent his usual four-page questionnaire requesting family history, derivation and meaning of names, pertinent misspellings and nicknames, military service of ancestors, personal symbols and company insignia, family mottoes (in English, Latin, French or any ancestral tongue, "even in old spelling, but, according to heraldic custom, not more than eight syllables") and favorite animals, signs of the zodiac, etc. Rather than fill out forms, Reagan tape-recorded a question-and-answer session with the man who had put him in touch with Karlovsky.

Though Karlovsky later erased the tape for reuse, he remembers Reagan's recollections as "rambling, very American." What he designed in early 1970 starts from the top with a horse, "a favorite animal of the Reagans," alluding also to his past as a movie cowboy. Emblazoned on the horse is an actor's mask referring to his and her Hollywood careers. Below the horse is a helmet that customarily signifies a bourgeois gentleman and then a falcon standing on a dual coronet: a symbol Karlovsky obtained from Nancy Davis Reagan's more regal ancestry. The motto, "Facta Non Verba" (Deeds, Not Words), also comes from the Davis family. The bear near the bottom is the symbol of California and the star in its paw represents California's role in the U.S. flag.

Arms-bearers are offered a choice of, two metals — gold or silver — and four colors: black, red, green or blue. Simplicity and visibility are stressed, so the Reagans chose gold (or yellow paint, in this case) and black. After they approved Karlovsky's sketches, he painted a final copy on vellum in 1970 and sent it to Sacramento, the capital of California.

On June 25, 1970, Reagan wrote Karlovsky a note to thank him for "all your time, trouble, and effort, and the very beautiful painting and description of the crest. Mrs. Reagan and I are very pleased and very proud to have this, and we shall be forever grateful to you. I have no words to tell you how handsome and impressive we feel this Coat of Arms is thanks to you."

When no bill was forthcoming, a discreet inquiry was relayed from Sacramento by the aide's brother, Karlovsky replied that this was "a gift from a Czech émigré who, at the outset of his career in the West, is grateful to be starting at the top." Today, Karlovsky charges some 3,500 Swiss francs (about \$2,000) for such a job, which takes at least three or four weeks.

To avoid its becoming an issue in his reelection campaign, Reagan issued two-and-a-half years (until halfway through his second and last term in Sacramento) before he registered the exclusive hereditary right of the Reagan family to use the design. This was done on Dec. 19, 1972, in the armorial records of the State Archives in Solothurn, Switzerland, as No. 7210 under the protection of Article 28 of the Swiss Civil Code of Law. Last year, Karlovsky sent another painting of it to Reagan when he was inaugurated as 40th President of the United States.

Karlovsky undertakes 20 to 60 family crest assignments a year, for clients ranging from wealthy Canadians named Coward (he gave them a lion, tail between legs, looking a little like Bert Lahr in "The Wizard of Oz") to Germans named Knobloch (derived from the word for garlic, the symbol was obvious). He also does municipal seals, particularly for merged



Capt. Adolf Karlovsky.

townships, and recently submitted 34 versions before the councilmen of Waldshut-Tiengen in West Germany could agree.

He did not set out to be a heraldist. Born in 1922, he says he joined the Czech resistance to Hitler in his teens, sabotaged some trains and was commissioned a lieutenant in the anti-fascist underground. Wounded several times, he entered the Prague Military Academy after the war, took the one semester of heraldry that was offered and showed exceptional aptitude for it, but concentrated on strategy and intelligence.

As the youngest member of the postwar Czechoslovak general staff, Capt. Karlovsky — with his moorish name and aristocratic background — was a marked man from the moment the country went Communist early in 1948. Engaged to a Dutch baroness and scheduled to become aide-de-camp to the Czechoslovak military attaché in Paris, he was instead arrested that September when an unsolicited conspiratorial letter addressed to him was intercepted. He was condemned to death for treason, but his life was spared because of his youth (25) and his sentence commuted to 25 years, of which he served 9.

Conditionally released in 1957, he worked as woodcarver, bricklayer and pipefitter while parlaying his heraldic hobby — on which he concentrated in prison — into a freelance sideline. Between 1965 and 1968, he made more than 200 broadcasts on Czechoslovak Radio, for his subject caught both the imagination of the young and nostalgia of their elders for bygone pomp and pageantry. When the Warsaw Pact allies invaded in 1968, Karlovsky left Czechoslovakia, deciding that "since I already knew the jails of my own country, I did not want to learn the jails of the GDR."

While most countries have their heraldists, few combine Karlovsky's flair for research and art. In his spare time on a recent visit to Vienna, for example, he unearthed the 1908-10 military record of Warrant Officer Karl Wojtyla in the Royal Infantry Regiment of Count Daun and hopes to present it at the Vatican to his son, Pope John Paul II.

Capt. Adolf F.J. Karlovsky, Warzenbergstrasse 43, CH-4127 Birsfelden-Basel, Switzerland. Tel.: (061) 52.28.49.

What Kind of Year Will It Be?

by Souren Melikian

LONDON — Seen from London, the art market's prospects for 1982 are not exactly rosy.

The difficulties experienced by Christie's, whose net worldwide sales dropped by 10 percent in real terms last fall, and by Sotheby's, which publicly conceded that "it is essential to increase revenue," are only the tip of the iceberg.

The current recession conceals a far more basic problem: Art supplies are running short in every category. In the next few months, this may not be apparent in Paris. Moderately rich people have been worst hit by the wealth tax and many of them, pressed for cash, will be willing to sell pieces they would otherwise be holding onto; hence there will be a passing impression of abundance.

In London, on the contrary, the paucity of works for sale should be glaringly apparent in the months to come. One reason is that in times of recession, speculative selling is suspended and dealers withhold pieces unless they are in dire straits. A second reason is that London is the hub of the auction market. It handles six or seven times the value in goods that Paris does, and it is a thoroughly international, rather than a local, market. It therefore mirrors trends on a worldwide scale and the dearth should be much more obvious than it has been. Indeed, other things being equal, it should worsen constantly — unless there is a world crash, resulting in individual bankruptcies and forced sales.

This paucity of works for sale is the inevitable outcome of the structural changes undergone by the market in the last two decades.

Until the mid-1950s, buying works of art from the past was an occupation indulged in by a narrow circle within the upper-middle class with particular background. In addition, each country had its handful of self-taught, utterly independent-minded people from every walk of life smitten by that irrepressible love for objects that expresses itself in what we call collecting, for want of a better word. By and large, works of art rotated in a closed circuit — with auction rooms serving chiefly as a barometer — while much of the buying and selling went on behind closed doors in dealers' shops. The sum total of available objects did not vary perceptibly, prices fluctuated more slowly and reflected changing tastes rather than speculative decisions, if only because there was too much in the market for any one to seriously attempt to affect prices.

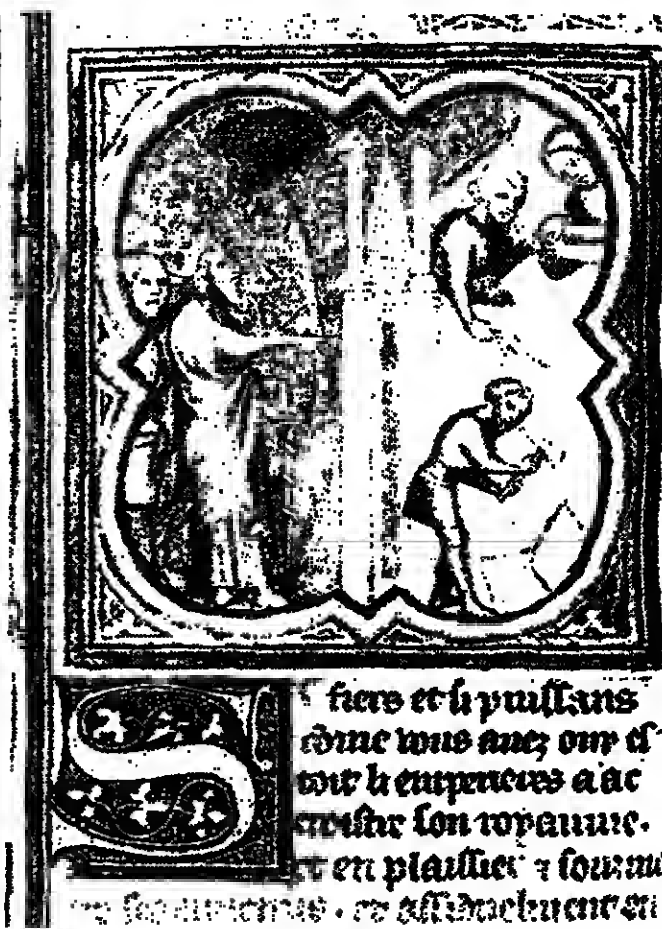
Things have changed drastically. The patrician classes have given way to a unified moneyed class with a new outlook: Unused to art, it is more easily dazzled, more prone to buy almost anything. It is also eager to establish its status, which the buyers of yore did not give a hoot about; hence there is an utterly new style in auction cataloging. Entries go over who owned what, when it was exhibited, and where it was published.

Above all, the new affluent class is immensely more numerous than the former patricians. It has sprung up in every country of the western world, including areas that bought very little a quarter of a century ago, from Argentina to South Africa and Australia. At the top end of the market, the worldwide mushrooming of museums and private foundations has also vastly increased the demand, pumping more works out of the market — forever. Overall, the result of the art-buying explosion has depleted the market in the last 20 years as never before in the last two centuries.

At first, the movement boosted auction houses because public sales gave the new, less-experienced buyers a sense of security they needed, and sometimes, too, the publicity they wanted — in contrast to the previous generation, which shied from publicity. The London firm was quick to seize the new mood. Peter Wilson, who became Sotheby's chairman in 1967 and who will be remembered as the 20th-century auction genius, turned auctions into events, creating a press office, and using press releases — previously unheard of — as a tool. The press offices had only one aim to grind, "ever-rising prices," and did so *ad nauseam*, getting a prompt echo from the news agencies. A "world record" is something you can't go wrong about if you know nothing else about a work of art.

The consequences have been threefold. Auction rooms played a major role in attracting larger crowds to the art market, they accelerated the price rise and finally they made the process ever more expensive for themselves. As art supplies dwindled, competition intensified — in the form of better cataloging, wider advertising, promotional exhibitions and, more expensive than anything, the multiplication of international and regional offices to tap new sources of supply.

Eventually, the desperate need to get the finest works for sale made auction rooms more vulnerable to pressure from business-minded vendors demanding reduced sale terms and sometimes getting their sales organized almost free, for the sake of the publicity value to the auction house. Even more common was the parallel pressure for higher reserve prices from owners offering ordinary wares. A "reserve" is the limit



From the 14th-century 'Grandes Chroniques de France.'

below which the work remains unsold. Ostensibly it goes to an unnamed buyer — who, in fact, is the vendor himself. Reserves that were thought of, 30 years ago, as safeguards against the hazards of selling at auction, are now used as levers to raise prices.

It may work or it may not. It did on Dec. 9 at Sotheby's when the "Grandes Chroniques de France" manuscript was reportedly bought "against the reserve." I.e. there was only one bid from the room over the minimum price set by the vendor. But the reserve system failed to work the week after at Christie's when a French painting of the 17th century ascribed to the Le Nain brothers was left stranded at \$550,000.

An attempt immediately after the sale to negotiate the picture with the last bidder, who had his hand raised at \$495,000, failed, reflecting the growing resentment among buyers against a procedure that gives them the feeling of being pushed around. Examples can be multiplied on both sides of the Channel. In some cases the auctioneer may bear his share of the blame for willingly lending himself to the game. It characterized — and defeated, among other causes — the market for Iranian art.

But in most cases the reserve system looks more like a vicious circle in which all interested parties have been trapped. Auctioneers do not always have the heart to antagonize an important or even a frequent seller by denying him the reserve he demands. Conversely, buyers who have paid too much at a previous auction are bent on getting their money back. In short, vendors' expectations rise even higher. They may get away with breathtaking works that are "priced," but these are few. The rest of the time it is more like Russian roulette; last fall, the number of casualties was high.

Altogether the drastic reduction in supplies combined with the artificially induced inflationary pattern have created a highly explosive situation. The market is too much like a wonderland. Unlike Alice, its actors might not come out unscathed. One of the most intelligent actors in the field, with 50 years' experience on the international scene, observed to this writer two years ago: "It just isn't true, trees don't grow sky-high." It may be added that things get really rough when this truth dawns on several people at the same time.

Nothing Low-Key About Nina Simone

by Carol Mann

PARIS — The show should have started half an hour ago. But Nina Simone isn't ready yet, still slugging out her program, deciding what to sing, whether to appear at all. She storms and she rants, she threatens and she growls while the trembling management at the Trois Maillets cabaret in the Latin Quarter smile forced smiles at customers coming through the door. They seem not to mind waiting; they file past in admiration and take their seats with the trust and confidence of fans.

With 40-odd records behind her, another on its way and an autobiography — "Between the Keys" — about to be published in London, Nina Simone is fighting fit at 48, just as loquacious as ever, just as temperamental, just as moving. Not mellowed though: more determined than ever to sing what she really wants to sing and avoid compromises of any kind.

The musicians are standing in patient silence beside her, agreeing with everything she says. Someone suggests she sing Bessie Smith's "Sugar in My Bowl." She smiles for the first time and the gold around her eyes shimmers.

"I haven't done it for a long time. Of course the boys don't know it, it's from way back. I only understood what the words — sugar in my bowl and that — meant when I was grown and married. So that's what Big Mama was getting at! I had no idea because I was brought up in the church, I come from a long line of preachers on both sides of the family. My mom wanted me to be the world's greatest classical pianist and — I can say this because it's the 1980s — the first great black one in the 1980s — was born in Tryon, S.C., and by the age of 7 was playing piano and organ by ear and singing at revival meetings with her seven brothers and sisters. A local piano teacher noticed her talents and fostered them until she was ready for further training at the Curtis Institute of Music in Philadelphia and the Juilliard School in New York."

"But then I started to play in clubs," Simone recalls. Her feeling for jazz, blues and contemporary black culture prevailed, as they had for Bessie Smith and Billie Holiday, whose successor, in style as well as temperament, Simone became. Singing came accidentally, during her first engagement, a summer job in Atlantic City, N.J., in 1954. As she started to improvise on the piano, the manager came up to her and told her that she was expected to sing as well. She was terrified, she remembers, since she hadn't sung since early childhood in church, but the audience response to her songs set the direction of her musical career.



Nina Simone, in the spotlight.

Simone says there has been no looking back since, and her music has evolved intimately with her life, with every risk she ever took. Each performance becomes a highly personal, even ruthless, dedication. Her life is echoed in the songs, in the whispered tragedies of her story sounding through the keyboard.

Underlining many of them is her commitment to black American politics, which continues to fire her. One of her most celebrated songs went: "My skin is brown/My manner is tough/I'll kill the first mother I see/My life has been rough/I'm awfully bitter because my parents were slaves/What do they call me? My name is Peaches."

Now Simone springs up again, clamoring for money, furiously ordering camomile tea from the distraught barmaid. Simone insists on being punctilious with money nowadays. "I was a fool. I did 'Ne Me Quitte Pas' till I was blue in the face, and everybody made tons of money out of me, except me. I never saw a dime of those royalties. I used to give, do it for everyone, now I'm doing it for me. I'm only singing my own songs." She writes them in Switzerland, where she lives. "In the quiet there, music comes from my soul."

When the audience begs for "Ne Me Quitte Pas," she does it, and introduces the song by recounting that she wept when Jacques Brel died and that she placed a straw hat on his coffin. "You killed him," she declares, glaring at a disbelieving audience. At the end of the song, she adds a line about having lost her dog, pleading for its return.

Friends come in and call to her. "Hi man!" she answers and kisses them; someone has gone to fetch her dramatic leather stage coat, a gift from Miriam Makeba, something an African Lady Macbeth might have worn, with tails and studs and trailing sleeves. A moment later, Simone's rage returns as she feels someone has stepped out of line.

One song in her repertoire includes the words "I was just a clown with a funny sounding name" and she pounds the piano with the anger of centuries. Notes fly off, fast and furious, before melting into sorrow and loneliness. "I am tired of being looked upon by the black people as someone who belongs to them, and looked at by the whites as something to eat, to take advantage of," Simone says. "My color is black, it is also clear and to the point, honest, direct. I belong to no race I know of in this small world."

Around Galleries in Paris

by Michael Gibson

PARIS — Takis, a Greek sculptor born in 1925, works with electromagnetic forces and the Pompidou Center is currently presenting (to March 11) his most ambitious project: a monumental environment for the vast pit, known as the Forum, that opens at the ground floor of the center.

The environment is a gigantic noise machine that functions for 10 minutes every hour and produces a sort of Brobdingnagian music, as though a company of slow-witted giants were struggling against sleep by bathing his of struggling wood and metal together at intervals. Visitors can walk down into the environment, in which

the sounds are produced by enormous legs drooping like large electromagnets periodically drop a heavy metal weight, and by large metal gongs that are struck when a metal clapper is drawn against them by magnetic force.

In the center of the Forum some large black globes, suspended on wires, are kept oscillating by a magnet just beneath their base, which repels them, while baroque shaped lamps emit a vaporous, sky-blue light.

Another Takis exhibition, assembling magnetic pieces, sound pieces and lamps, is to be seen at the Maeght Gallery (13 Rue de Téhéran, Paris 8, to Jan. 22).

Also at the Beaubourg is an exhibition of drawings by the Yugoslav artist Dado (born

Miodrag Djuric, in 1933). Dado came to France in 1956 and has been living here ever since, producing with regularity and consistency representing a ghastly, derisive and decaying world of crumbling buildings inhabited by salacious, leering monsters.

There is a nightmarish horror that calls to mind mutants in science-fiction films set in a post-atomic war era, but Dado's paintings have always expressed all this in pastel tones of the kind one associates with David Hamilton photographs. In his drawings, done with a bristling, incisive line, his satirical little monsters are the modern descendants of the picturesque or insinuating horrors that prance through the works of Doré, Callot or Hieronymus Bosch.

Like, It's American

PEKING — If the well-spoken professor just off the plane from China says he's "drooling" to let it all hang out, chances are he has been studying his "Handbook of Current Americanisms" (The People's Publishing Agency of Hunan Province).

The paperback dictionary, of which 55,000 copies have been published, tells him "drooling" means "very eager" and "let it all hang out" means "to show real feelings." The booklet and its 180,000 words are China's attempt to explain to its growing ranks of English-learners words, phrases and usages that many dictionaries ignore or avoid.

"It's very useful, practical," says a postal clerk, one of millions of young people across China trying to learn English as a first step to better schools and better jobs.

"When we read American publications and talk to American friends, we often come across a problem: We don't know what they mean by some expressions," the dictionary's foreword says.

As an example, a passage about U.S. dining habits is punctuated with footnotes of explanation: "Mealtime at our house are al-

ways a zoo (footnote). Sometimes nobody has any time to cook, because mom and dad both work, so we kids come in and grab a sandwich (footnote) or whatever leftovers we can find in the fridge (footnote)..."

"We only have an hour off for lunch, anyway, so sometimes I'll just get a frank (footnote) or a burger (footnote) and fries (footnote) at a take-out joint (footnote) near school."

"My sister's the real junk-food addict (footnote), though. She'll pig out on (footnote) cookies or potato chips while she's sitting around watching the idiot box (footnote)..."

Overall, the booklet has a heavy "shades-of-the-60s" look, to use one of the entries ("They went to an outdoor rock concert in California on the grass and danced and got stoned — shades of the '60s").

One entry is easily identifiable by the Chinese: A "grape session" is a "fruit-finding conversation," the handbook says. "You mean like a criticism session?" inquires a student, referring to Chinese political meetings where ideological errors are pointed out publicly for correction.

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U.S. Collectibles Market in a Slump

By Rita Reif

NEW YORK — Collectibles — objects acquired as if they were antiques but are not old enough to qualify as such — are no longer viewed as glamorous investments in the United States.

Over the last year the recession and soaring interest rates have taken their toll on the collectibles market and its nostalgia-type objects: vintage tin toys, steam engines, dolls, buttons, baseball cards, postcards, Mickey Mouse objects, music boxes, phonographs, typewriters, cash registers, jukeboxes, coin-operated machines — virtually anything produced in the 20th century that Americans identify with as the objects they cared about in childhood.

U.S. auctions of such material have, until recently, been most successful. But now buying has become less than a sure bet, and less attractive with the rarities or the finest examples commanding the major interest and top prices everywhere.

"It is not all bad news," says Andreas Brown, owner of Manhattan's Gotham Book Mart and a collector of, among other things, postcards and Christmas tree ornaments. He adds that the New York postcard show in November produced record sales for some dealers. "We had big crowds and people were spending heavily." Some of the postcard merchants also deal in stamps or coins and they reported that they were suffering in those areas but not in postcards.

"Postcard collecting is a hobby with a lot of growth," he says. And so, he adds, is the collecting of Christmas ornaments.

A collectibles sale at Sotheby Parke Bernet early in December revealed a great deal about the market, according to Pamela Brown, the auction house's specialist in this area. "Sotheby's does not see itself any longer as being the warehouse for all collectibles," she says. These sales, which number more than 1,100 offerings, will be reduced to about a third what they have been, she continues, explaining that the cut-off point will not be based purely on the dollar value — quality is the primary concern. "Anything that is available in 10 forms is probably not ideal for auctions."

She reports that in every category there are different considerations about what certain collectibles continue to be popular and costly. "In toys over the last year everyone was talking about German penny toys," she says of the tin lithographed playthings that sold when they were new, at the turn of the century, for the equivalent of a penny. Recently, she points out, they had risen in the United States to three figures but now have come back down to \$50 and \$60. Exceptional examples sell for more — a musical tin clockwork toy of a trombone player and a horn player who emerges from a barrel brought \$495, and an early 20th-century musical toy of a goose singing while a clown conducts sold for \$440. Both were gen-

erous prices but considerably below their presale estimates.

"The plastic-robot market is not what it was six months ago," she continues. "We did find that some Japanese toys did very well. Japanese submarines were bringing \$30 to \$125 each." One — a Japanese "Perfection" submarine — sold for \$330. "Common things are down."

The good tin character toys are doing well as are the Marklin riverboats — a fine example, a 1923 "St. Louis," sold for \$4,675 — and a Marklin live steam gauge locomotive and tender that were expected to sell for at most \$600 brought \$7,150.

"We had a lot of bidding from European and Japanese collectors," she says, adding that in every case of an unexpectedly high price it was achieved with some foreign bidding.

Dolls — the best of them — continue to sell for amazing prices. A French, bisque-head baby doll by

Bru Jeanne and Cie — with brown papier-mâché eyes, pierced ears and a kid body — was expected to bring up to \$9,000 and sold for \$15,400. And an Oriental fashion doll with refined features in brown-tinted bisque, with the original sew-on costume, was expected to sell for up to \$10,000 and brought \$11,000.

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Collector's Guide

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(Continued on Page 10)

GE Blocked In Parts Sale For Gas Line

STAMFORD, Conn. — General Electric said it was officially informed by the Commerce Department Friday that parts it was to have shipped for eventual use in the Siberian gas pipeline project require export licenses.

The company said the licenses will not be issued because of the Reagan administration's sanctions against the Soviet Union.

GE said it was to have shipped about \$175 million worth of components for turbines to AEG-Telefunken of West Germany, John Brown Engineering of Scotland and Nuovo Pignone of Italy.

GE said it has informed the three companies of the latest development.

A GE spokesman said the European companies involved in the turbine project will probably be able to receive from other sources the parts that GE was to have shipped.

An AEG spokesman said earlier in the day that AEG had not been informed that GE would not supply components for the gas turbines AEG is building for the pipeline.

AEG said it has a contract worth 700 million Deutsche marks to supply 47 turbines for compressor stations to be built along the 5,500 kilometer (3,300 mile) pipeline, which will bring natural gas from Siberia to Western Europe.

The turbines are important parts of the stations, which are to be built along the pipeline to compress the gas to suit its flow.

An AEG spokesman said it was coming to assume that a blockage of GE's parts could disrupt AEG's completing terms of the contract.

The parts GE was to have provided included rotors, blades and nozzles. One reason the Russians picked European manufacturers of the GE-licensed turbines was because GE said its equipment had been tested under harsh conditions similar to those along the pipeline route.

GE said the \$175 million value of its portion of the contract represents about one-third of the total price for the finished product. GE said the loss of the contracts would not have a major impact on its business. A GE spokesman noted the company has annual sales of about \$25 billion.

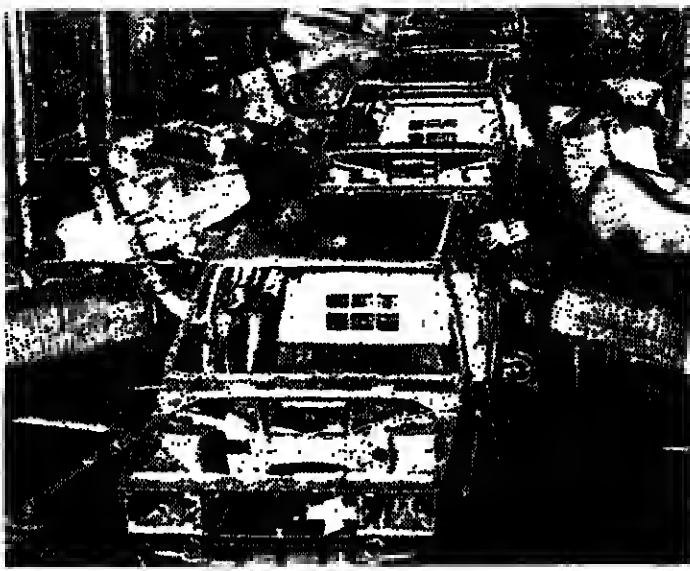
Mexico Sets Increase Of 36% in Oil Output

MEXICO CITY — Mexico is going ahead with a 400,000-barrel increase in the daily export of crude oil that was postponed last year because of the international oil glut, the state petroleum monopoly Pemex has announced.

A statement Thursday from Pemex headquarters in Mexico City said daily exports in 1982 will be about 1.5 million barrels. It said the daily average last year was 1,098,000 barrels, up 33 percent from 1980, bringing in a total of about \$13.3 billion.



Fiat's sprawling Mirafiori plant in Turin (top), with its robot welding line, is part of the company's multibillion-dollar program to modernize. In the restructuring, Giovanni Agnelli (left) has moved from the company's day-to-day operations to head its policy-making board.



Fiat Tries to Weave a Network of Profitability

By John Tagliabue
New York Times Service

TURIN — A little over a year ago, people here would have taken bets that Fiat, Italy's biggest automaker and the country's largest private company, was on the verge of disaster.

The company's sprawling plants in and around Turin were shut by strikes, the recession had Western Europe's auto market in shambles. Word had it, too, that the Agnelli family, which founded Fiat 82 years ago, were getting out.

Today, Fiat appears to have radically altered its fortunes. In 1981, the company made a modest profit, ending a three-year money-losing streak. And the huge auto division, which generates more than half of Fiat's revenues, broke even after losses of more than 100 billion lire (\$84 million) in 1980.

"Nobody can say Fiat is a giant with clay feet," said Cesare Romiti, the company's chief executive officer, in a mood that reflected the turn in Fiat's fortunes.

Turning Point

First, Fiat emerged victorious in October, 1980, from a five-week strike, the company's most dramatic labor conflict, with a contract allowing it to drop 23,000 jobs at heavily overstaffed plants.

The company's work force had totaled 238,000.

Second, a multibillion-dollar program to modernize its plants and introduce new models, delayed by the strike, began to take hold.

Buoyed by its new prosperity, Fiat is in the midst of negotiations aimed at weaving a network of cooperative agreements with Italian state-owned industries in two key sectors, automobiles and telecommunications. It hopes the accords will strengthen its own fortunes and help Italy's faltering economy by injecting private management principles into several important sectors of the country's money-losing state-owned industries.

Fiat's troubles began when the company was caught sleeping by the boom in small, fuel-efficient models in the late 1970s. The auto division's market share slipped sharply and the former major money maker suffered mounting losses.

"The Panda and the Ritmo both reached the market late," said Francesco Paolo Mattioli, Fiat's chief financial officer, in a conversation at Fiat headquarters.

Fiat's Panda model, at the bottom of the line, came out in 1980, and the Ritmo medium-sized car followed shortly afterward. Since then, Fiat has been introducing a

new model every two months, and Mr. Romiti was able to announce in December that Fiat had raised its share of the West European market in 1981 to 13.6 percent, from 12.8 percent in 1980.

Despite the progress, Fiat officials say much remains to be done. According to Mr. Mattioli, Fiat plans to invest 5 trillion lire in the next three years on automation and modernization.

New Style at Top

Fiat's job cuts, he said, coupled with a sharp reduction in absenteeism — to 3 to 5 percent at various plants, from 14 to 18 percent before the 1980 strike — raised productivity by 20 percent in 1981. Further investments, it is hoped, will lift it to the level of Fiat's major European competitors, such as Volkswagen and Renault.

Mr. Mattioli, 42, is typical of the young generation of executives who took over at Fiat in the mid-1970s. An economist, he was among those who engineered changes at Fiat, carving up the company's cluttered industrial empire into 11 independent profit centers, each with extensive autonomy.

Analysts credit these broad changes with giving the company new vitality. With the arrival of the new executives, the Agnelli family, represented by Giovanni Agnelli and Umberto Agnelli, left the company's day-to-day operations.

Giovanni Agnelli, whose grandfather founded Fiat 82 years ago, now heads the company's policy-making board. Umberto stepped down last year as managing director of the auto division to become vice president of Istituto Finanziario Industriale, the family holding company that owns 30 percent of Fiat's assets.

In addition to automobiles, Fiat's 20.79 billion lire in 1980 revenues principally came from machinery, construction equipment, aircraft engines and La Stampa, the Turin daily newspaper.

According to Fiat officials, the

next major steps in corporate strategy involve automobiles, steel and telecommunications.

Essentially, the company is looking for government help with Teksid, Fiat's steelmaking unit, that would take the ailing money-losing off Fiat's hands.

Fiat's part of the deal, according to bankers in Rome and Milan, would be to help Alfa Romeo, Italy's state-owned No. 2 automaker.

In the steel industry, Fiat wants to merge the cold-rolled steel operations at Teksid, near Turin, with those of the state-owned steelmaker, Italsider, and its flat-rolled steel production with that of Terni, another state-owned steelmaker.

Alfa, which produces about 200,000 cars a year, mainly in the sports and luxury categories, expects to lose as much as \$0.5 billion in 1981. Fiat's plan is to cut costs by jointly producing axles, transmissions and electrical equipment with Alfa.

While each company would continue its own line, Alfa would be expected to produce high-powered large cars, its specialty, in southern Italy, and Fiat would concentrate on small- and medium-sized family-type cars at plants in the north.

In telecommunications, Fiat is seeking increased cooperation between its Elettra division — which produces switching equipment — and Italtel, the state-owned company whose main strength is in communications transmissions.

"Concentration of Forces"

Fiat also wants cooperation in developing the digital telephone exchanges that Italy will need in the 1980s, to prevent lucrative contracts from going abroad.

"The idea is a concentration of forces," Mr. Mattioli said. "The main thing will be to present ourselves jointly on foreign markets, too, to have the scale to compete with big international companies."

Problems remain. Fiat and the government of Premier Giovanni Spadolini must still decide how to share profits and losses at Teksid, and the legislative procedure lead-

(Continued on Page 11, Col. 5)

U.S. Unemployment at 8.9%

Men: 8%

Women: 7.5%

Blacks: 17.4%

WASHINGTON — The U.S. unemployment rate climbed to 8.9 percent in December as joblessness among adult men, historically the most stable element of the labor force, set a post-World War II record, the Labor Department reported Friday.

The Bureau of Labor Statistics said the jump — from 8.4 percent — meant close to 9.5 million Americans were out of work.

The agency said the number of "discouraged workers" rose by about 150,000 in the fourth quarter of 1981, to 1.2 million, the highest level recorded since the government began keeping that statistic in 1970. Discouraged workers are classified as those who report to government clerks that they want to find work but have given up the search in futility.

Unemployment among adult males — the largest element of the labor force — rose eight-tenths of a percentage point in December, from 7.2 percent to 8 percent.

Janet L. Norwood, commissioner of the Bureau of Labor Statistics, said the December jobless rate for men was a half-percentage point above the rate for women, which she called "a very unusual development." The rate for adult women was 7.5 percent in December.

In testimony prepared for delivery to Congress, she said that "the difference in unemployment experience of men and women stems partly from the fact that women are less likely than men to be employed in the goods-producing sector of the economy, where the sharpest employment reductions occurred."

Black unemployment reached 17.4 percent in December, another post-war record.

Department analysts said the overall jobless rate in December approached the 9 percent high in May, 1975, toward the end of the recession brought on by the Arab oil embargo.

At the White House, deputy press secretary Larry Speakes said that the administration had expected a rise in unemployment but added that "we anticipate that at the end of the second quarter,

third quarter that our programs will begin to work and that we will see an upturn in the overall economy."

He said the administration has confidence "our programs will work."

In the past, administration officials have said rising unemployment is the price the nation must pay for bringing down double-digit inflation.

Wisconsin's Democratic Rep. Henry S. Reuss, chairman of the congressional joint economic committee, said the figures showed a

"huge and dangerous increase" that was caused by the Reagan administration's economic policies.

Rep. Reuss said the administration is "moving to make matters worse" by continuing an economic policy that includes tight money and spending cutbacks.

Since July, the department said, more than 2 million Americans have been thrown out of work and the unemployment rate has shot up almost 2 full percentage points.

In December, 1980, the unemployment rate was 7.4 percent.

Blue Chip Issues Lead Gain in NYSE Prices

NEW YORK — Prices on the New York Stock Exchange, led by blue-chip issues, closed higher Friday in moderate trading as investors weighed some and trust news and pondered the course of interest rates.

The Dow Jones industrial average, which gained 0.76 point Thursday, closed up 4.75 points at 866.53.

Advances led declines by almost a 2-to-1 margin, and volume fell to 42.05 million shares from 43.41 million traded Thursday.

Prices were higher in moderate trading of American Stock Exchange issues.

After the markets closed, the Federal Reserve reported that the nation's money supply, as measured by M-1B, fell \$1.4 billion to \$440.4 billion in the week ended Dec. 30. The narrower measure of the money supply, M-1A, fell \$900 million in the week.

Many investors stayed on the sidelines to wait for the Federal Reserve's report. The surge in the supply in recent weeks and predictions of higher interest rates have raised many fears on Wall Street.

Meanwhile, the government reported the December unemployment rate surged a half percentage point to 8.9 percent from 8.4 in November, putting it just fraction-

ally below the height of the 1973-75 recession.

President Reagan called the rise in unemployment in December a tragic development but said more jobs should be available when the economy picks up later this year.

The report indicated the recession has deepened, contrasting with other recent government statistics that indicated the slump had eased. Investors are trying to figure out how long the recession will last.

Credit markets rallied following news of the increase in unemployment, dealers said.

The rise was greater than expected and prompted dealers to mark bond prices as much as one point higher in some areas. Dealers said the statistics sparked some hopes the Fed will allow interest rates to decline further.

Nobel prize-winning economist James Tobin said Thursday interest rates are climbing again and Reagan administration economics and Federal Reserve policy may push them upward into 1984.

"It's quite remarkable," Mr. Tobin said, "that now interest rates are rising in the depths of the recession."

He said the "Federal Reserve does not want to have single digit interest rates for a number of reasons. They don't want to repeat the problems they had in 1980 when they let interest rates go down and then money supply took off in the latter part of the year."

Much of the investment community's attention was riveted on American Telephone & Telegraph and IBM.

AT&T stock was ahead 1/2 to 5/8% before trading was halted prior to the announcement. It had reached a settlement with the Justice Department on a seven-year-old antitrust suit.

IBM, which has been involved in a 13-year antitrust suit, did not trade in this session because ocs was to be unveiled in a meeting after the NYSE closed involving the computer giant, the Justice Department and a federal judge over the government's suit. The government said it was dropping the suit against IBM.

In corporate news, the Federal Trade Commission asked Mobil for more information on its intention to buy up to 25 percent of U.S. Steel's stock.

Dome Gets \$1.7 Billion Loan To Buy Rest of Hudson's Bay

United Press International

NEW YORK — Dome Petroleum said Friday it had obtained a seven-year \$1.7 billion loan from 25 international banks that it will use to complete acquisition of Hudson's Bay Oil and Gas.

Calgary-based Dome Energy, subsidiary of Dome Petroleum, will use the money to backstop preferred shares it will issue to acquire the 47.1 percent of outstanding shares of Hudson Bay it does not already own.

The loan agreement, signed in New York by Jack Gallagher, chairman and chief executive of Dome Energy, and Citibank president William L. Spencer, is believed to be the largest loan ever granted to a Canadian borrower.

Dome will pay 3 1/2 percent on the London interbank offered rate for the first five years of the loan and 3 1/2 percent over Libor for the remaining two years.

Dome is to repay the \$1.7 billion loan from proceeds of oil and gas sales from Canadian properties and it is expected to be fully repaid by the end of 1989.

Lead banks in the syndicate providing the loan to Dome, of which Citibank is agent, are Citicorp International Group Canada, Chase Merchant Banking Group, Chemical Bank, Manufacturers Hanover Trust, Morgan Bank of Canada, Continental Illinois National Bank and First National Bank of Chicago.

First Interstate Bank and Security Pacific Bank, California, National Bank of Canada, National Westminster Bank Group, and Credit Agricole of France.

Co-managers are Marine Midland, Midland Bank Ltd., and National Bank of Detroit.

Dome will pay 3 1/2 percent on the London interbank offered rate for the first five years of the loan and 3 1/2 percent over Libor for the remaining two years.

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PEOPLE IN BUSINESS

Alick Stevenson has been named vice president and treasurer of the London-based Reliance Financial and Consulting Group Ltd. and Leasco Europa Ltd. Both are subsidiaries of the Reliance Group.

John Lenton has been named regional vice president for finance and planning for the European, Middle Eastern and African branches of American Express Card Division. David Cenevise-Moore has been named senior vice president and general manager of the American Express Travellers Check Division for Europe, Middle East and Africa. He succeeds John Maslanka, who moves to Canada as senior vice president in charge of both American Express Card and Travellers Cheque operations.

Richard L. Fernandes has joined Doremus & Co. as a vice president and advertising account group supervisor. Prior to joining Doremus, Mr. Fernandes served as a vice president of N.W. Ayer, Doremus & Co. is a subsidiary of BBDO International.

Donaldson Europe, a subsidiary of Donaldson Corp., has



Thomas C. Shortell

named Peter E. Horn as managing director.

Citibank has named Thomas C. Shortell, head of the bank's Agribusiness and Commodities Division, as a senior vice president of the company. Mr. Shortell, who is based in Paris, joined Citibank in 1954.

John C. Rahming has been appointed deputy managing director of London Interstate Bank Ltd. Mr. Rahming was previously affiliated with Citibank and Security Pacific Bank.

Gold Standard Opposed in U.S.

WASHINGTON — A solid majority of the U.S. Gold Commission opposes any rethinking of the U.S. dollar to gold, according to a poll released Friday's meeting.

Ten of 13 members responding to the poll opposed a plan that would link the growth of the money supply to growth in the U.S. gold stock. The members unanimously opposed any effort to fix international exchange rates on the basis of a U.S. dollar pegged to gold.

The commission majority said, however, that it would favor the minting of a U.S. gold coin. The coin would not represent a return to a gold standard because it would not carry a face value but would fluctuate in value with the market price of gold.

U.S. Steelmakers Ready to File Suits in Dumping

WASHINGTON — The U.S. steel industry will file anti-dumping and countervailing duty cases against foreign steel producers "in the next few days," Commerce Secretary Malcolm Baldrige said Friday.

Mr. Baldrige said the steel trigger price mechanism will be suspended if the U.S. steel industry files its own anti-dumping suits against foreign steel makers.

Mr. Baldrige said that the EEC "has failed to convince the American industry that the trigger price mechanism can continue to be an effective means of enforcing U.S. trade laws. If one of the main players is being sued we would have to suspend [the mechanism] for everyone."

He said he expected complaints from foreign steelmakers but he did not anticipate any retaliatory action. "We all want to be careful about retaliation," he said, noting that protectionist pressures always grow during a recession.

He said European steel makers have been subsidizing competition and that is the same thing as transferring jobs from the U.S. overseas.

U.S. Steel Corp. had postponed filing suits originally scheduled for early December while Mr. Baldrige conducted talks with representatives of the EEC.

Value Line looks at . . . Major American Stocks With P/E's Under 5 AND Yields Over 7%

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• In addition, a significant minority of these "combination" stocks currently yield from 7% to 14.0%, based on our estimate of dividends in the 12 months ahead. (In many of these stocks, moreover, we look for sizable dividend increases from 50% to 100% — in the next few years.)

But we urge you not to leap into stocks like these, good as they may sound, without also checking Value Line's current ratings for Profitability, Price Performance and — most importantly — Quality (Safety).

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The Greatest Commodity Bull Market in a Decade

And Where Gains May Multiply Cash in Tenfold Jumps

Last time the Dollar was drastically overvalued, Richard Nixon devalued it twice and sparked a bullish action in commodity markets which went on within two to three years of up to 60 times the amount of equity required to carry futures-market positions in such commodities as Sugar, Wheat, the Swiss Franc was at 47 cents last summer with the Deutsche Mark below 40 and the British Pound below \$1.80. Capital Offshore began insisting that the Dollar had again become overvalued and overpriced — with an inevitable drop in its relative value generating new bull runs in hard currencies, monetary instruments, industrial raw materials and an expanding list of commodities which culminated in a recent turnaround which caught three up-lift days in Frozen Fruit Bells following a widely-advertised announcement of our fund, New from Cattle to Copper and from Gold to Lumber there are so many potential-looking commodity pictures developing that we have decided to add periodic commodity reports to our weekly leveraged-growth coverage. Complete and return the coupon for complimentary reports and pre-announcement projections along with information concerning new approaches to future-market participation now being devised by Capital Offshore strategists. Address response to:

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Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Jan. 8, 1982
(Closing prices in local currencies)

[illegible]

Open	High	Low	Settle	Chg.	Open	High	Low	Settle	Chg.
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[illegible]

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Riyadh, Saudi Arabia
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FARM				FARM			
Per cow minimum: dollars per bushel				Per cow minimum: dollars per bushel			
Year	1984	1985	1986	Year	1984	1985	1986
1984	1.08	1.08	1.08	1984	1.08	1.08	1.08
1985	1.08	1.08	1.08	1985	1.08	1.08	1.08
1986	1.08	1.08	1.08	1986	1.08	1.08	1.08
1987	1.08	1.08	1.08	1987	1.08	1.08	1.08
1988	1.08	1.08	1.08	1988	1.08	1.08	1.08
1989	1.08	1.08	1.08	1989	1.08	1.08	1.08
1990	1.08	1.08	1.08	1990	1.08	1.08	1.08
1991	1.08	1.08	1.08	1991	1.08	1.08	1.08
1992	1.08	1.08	1.08	1992	1.08	1.08	1.08
1993	1.08	1.08	1.08	1993	1.08	1.08	1.08
1994	1.08	1.08	1.08	1994	1.08	1.08	1.08
1995	1.08	1.08	1.08	1995	1.08	1.08	1.08
1996	1.08	1.08	1.08	1996	1.08	1.08	1.08
1997	1.08	1.08	1.08	1997	1.08	1.08	1.08
1998	1.08	1.08	1.08	1998	1.08	1.08	1.08
1999	1.08	1.08	1.08	1999	1.08	1.08	1.08
2000	1.08	1.08	1.08	2000	1.08	1.08	1.08
2001	1.08	1.08	1.08	2001	1.08	1.08	1.08
2002	1.08	1.08	1.08	2002	1.08	1.08	1.08
2003	1.08	1.08	1.08	2003	1.08	1.08	1.08
2004	1.08	1.08	1.08	2004	1.08	1.08	1.08
2005	1.08	1.08	1.08	2005	1.08	1.08	1.08
2006	1.08	1.08	1.08	2006	1.08	1.08	1.08
2007	1.08	1.08	1.08	2007	1.08	1.08	1.08
2008	1.08	1.08	1.08	2008	1.08	1.08	1.08
2009	1.08	1.08	1.08	2009	1.08	1.08	1.08
2010	1.08	1.08	1.08	2010	1.08	1.08	1.08
2011	1.08	1.08	1.08	2011	1.08	1.08	1.08
2012	1.08	1.08	1.08	2012	1.08	1.08	1.08
2013	1.08	1.08	1.08	2013	1.08	1.08	1.08
2014	1.08	1.08	1.08	2014	1.08	1.08	1.08
2015	1.08	1.08	1.08	2015	1.08	1.08	1.08
2016	1.08	1.08	1.08	2016	1.08	1.08	1.08
2017	1.08	1.08	1.08	2017	1.08	1.08	1.08
2018	1.08	1.08	1.08	2018	1.08	1.08	1.08
2019	1.08	1.08	1.08	2019	1.08	1.08	1.08
2020	1.08	1.08	1.08	2020	1.08	1.08	1.08
2021	1.08	1.08	1.08	2021	1.08	1.08	1.08
2022	1.08	1.08	1.08	2022	1.08	1.08	1.08
2023	1.08	1.08	1.08	2023	1.08	1.08	1.08
2024	1.08	1.08	1.08	2024	1.08	1.08	1.08
2025	1.08	1.08	1.08	2025	1.08	1.08	1.08
2026	1.08	1.08	1.08	2026	1.08	1.08	1.08
2027	1.08	1.08	1.08	2027	1.08	1.08	1.08
2028	1.08	1.08	1.08	2028	1.08	1.08	1.08
2029							

POGS				
POGS (ba.) cents per lb.				
Long	45.84	44.80	45.40	+75
Med	45.84	45.10	44.90	+75
Lat	45.84	45.10	44.90	+75
Light	45.84	44.80	44.90	+75
Dark	45.84	44.80	44.90	+75
But	45.84	44.80	44.90	+75
Dec	45.84	44.80	44.90	+75
Jan	45.84	44.80	44.90	+75
Feb	45.84	44.80	44.90	+75
Mar	45.84	44.80	44.90	+75
Apr	45.84	44.80	44.90	+75
May	45.84	44.80	44.90	+75
Jun	45.84	44.80	44.90	+75
Jul	45.84	44.80	44.90	+75
Aug	45.84	44.80	44.90	+75
Sep	45.84	44.80	44.90	+75
Oct	45.84	44.80	44.90	+75
Nov	45.84	44.80	44.90	+75
Dec	45.84	44.80	44.90	+75
Jan	45.84	44.80	44.90	+75
Feb	45.84	44.80	44.90	+75
Mar	45.84	44.80	44.90	+75
Apr	45.84	44.80	44.90	+75
May	45.84	44.80	44.90	+75
Jun	45.84	44.80	44.90	+75
Jul	45.84	44.80	44.90	+75
Aug	45.84	44.80	44.90	+75
Sep	45.84	44.80	44.90	+75
Oct	45.84	44.80	44.90	+75
Nov	45.84	44.80	44.90	+75
Dec	45.84	44.80	44.90	+75
Jan	45.84	44.80	44.90	+75
Feb	45.84	44.80	44.90	+75
Mar	45.84	44.80	44.90	+75
Apr	45.84	44.80	44.90	+75
May	45.84	44.80	44.90	+75
Jun	45.84	44.80	44.90	+75
Jul	45.84	44.80	44.90	+75
Aug	45.84	44.80	44.90	+75
Sep	45.84	44.80	44.90	+75
Oct	45.84	44.80	44.90	+75
Nov	45.84	44.80	44.90	+75
Dec	45.84	44.80	44.90	+75
Jan	45.84	44.80	44.90	+75
Feb	45.84	44.80	44.90	+75
Mar	45.84	44.80	44.90	+75
Apr	45.84	44.80	44.90	+75
May	45.84	44.80	44.90	+75
Jun	45.84	44.80	44.90	+75
Jul	45.84	44.80	44.90	+75
Aug	45.84	44.80	44.90	+75
Sep	45.84	44.80	44.90	+75
Oct	45.84	44.80	44.90	+75
Nov	45.84	44.80	44.90	+75
Dec	45.84	44.80	44.90	+75
Jan	45.84	44.80	44.90	+75
Feb	45.84	44.80	44.90	+75
Mar	45.84	44.80	44.90	+75
Apr	45.84	44.80	44.90	+75
May	45.84	44.80	44.90	+75
Jun	45.84	44.80	44.90	+75
Jul	45.84	44.80	44.90	+75
Aug	45.84	44.80	44.90	+75
Sep	45.84	44.80	44.90	+75
Oct	45.84	44.80	44.90	+75
Nov	45.84	44.80	44.90	+75
Dec	45.84	44.80	44.90	+75
Jan	45.84	44.80	44.90	+75
Feb	45.84	44.80	44.90	+75
Mar	45.84	44.80	44.90	+75
Apr	45.84	44.80	44.90	+75
May	45.84	44.80	44.90	+75
Jun	45.84	44.80	44.90	+75
Jul	45.84	44.80		

European Gold Markets				
Jan. 8, 1982				
	A.M.	P.M.	N.Y.	N.C.
London	397.75	398.25	+1.52	
Amsterdam	398.50	399.00	+1.50	
Paris (7.15 J.S.G.)	394.25	394.75	+1.50	
Frankfurt	394.25	394.75	+1.50	
Official Bid/Ask for London, Paris and Luxembourg				
and clearing prices for Zurich, U.S. dollars per ounce.				

Paris Commodities				
[Figures in French francs per metric ton]				
Jan. 8, 1982				
	March	June	Class	Ch.
(8:10 A.M.)				
SUGAR				
May	1,880	1,866	1,861	+182
July	1,875	1,861	1,856	+182
Oct	1,875	N.T.	1,870	+182
Nov	1,875	N.T.	1,870	+182
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062
Dec	2,070	1,995	1,995	+2,062
QCY	2,070	1,995	1,995	+2,062
Nov	2,070	1,995	1,995	+2,062

New York Futures				
Jan. 8, 1962				
	Open	High	Low	Settle
MAINE POTATOES				
50.00 (Bul.) cents per lb.				
Feb.				7.87
Mar.	7.30	7.30	7.30	7.30
Apr.	7.54	7.57	7.52	7.54
Nov.				7.60
Prev. sales 402.				
Prev day's open 11 3.35, off 48.				
COFFEE C				
20.00 (Bul.) cents per lb.				
Mar.	127.50	129.25	127.50	128.37
May	122.60	123.30	121.40	121.67
Jul.	122.50	123.00	122.00	122.60
Sep.	120.60	121.00	120.25	120.60
Dec.	124.25	124.75	124.25	124.18
Prev. sales 2,564.				
Prev day's open 11 16.15, off 228.				
SUGAR-WORLD 11				

Jon	14.35	12.85	12.85	12.85
Alor		12.85	12.85	12.85
Prev. sales 8,179		14.48	14.48	14.48
Prev day's open in 72.47, up 83L				

COCOA
18 metric tons; 8 per ton

Jon	21.69	21.70	21.72	21.61
Alor	21.69	21.70	21.74	21.67
Jul	6.192	6.193	21.68	21.74
Sep	5.25	21.62	21.73	21.82
Dec	22.00	22.00	21.97	22.00
Mar	22.00	22.02	22.05	22.09

Prev. sales 1,544.
Prev day's open in 14.05, up 25L

DRANGE JUICE
150,000 lbs.; cents per lb.

Jon	120.10	119.70	120.15	
Alor	120.40	120.40	120.40	120.40
Jul	120.50	120.50	120.50	120.50
Sep	120.40	120.40	120.40	120.40
Jan	120.60	120.60	120.60	120.60
Mar	120.60	120.60	120.60	120.60
Alor	120.10	120.20	120.25	120.25
Jon	120.10	120.15	120.15	120.25

Prev. sales 1,212.
Prev day's open in 8.415, up 14L

Dec	72.50	72.70	72.50	72.50
Jan	72.50	72.70	72.50	72.50
Feb	72.50	72.70	72.50	72.50
Mar	72.50	72.70	72.50	72.50
Apr	72.50	72.70	72.50	72.50
May	72.50	72.70	72.50	72.50
Jun	72.50	72.70	72.50	72.50
Jul	72.50	72.70	72.50	72.50
Aug	72.50	72.70	72.50	72.50
Sep	72.50	72.70	72.50	72.50
Oct	72.50	72.70	72.50	72.50
Nov	72.50	72.70	72.50	72.50
Dec	72.50	72.70	72.50	72.50

Prev. vol. 4,584.
 Prev. day's open 119.27 1/2, up 22 1/2.

COPPER

Last bid, cents per lb.

Jan	72.50	72.70	72.50	72.50
Feb	72.50	72.70	72.50	72.50
Mar	72.50	72.70	72.50	72.50
Apr	72.50	72.70	72.50	72.50
May	72.50	72.70	72.50	72.50
Jun	72.50	72.70	72.50	72.50
Jul	72.50	72.70	72.50	72.50
Aug	72.50	72.70	72.50	72.50
Sep	72.50	72.70	72.50	72.50
Oct	72.50	72.70	72.50	72.50
Nov	72.50	72.70	72.50	72.50
Dec	72.50	72.70	72.50	72.50

Prev. vol. 5,522.
 Prev. day's open 117.88 1/2, up 78.

HEATING OIL

Last bid, cents per gal.

Jan	91.25	91.50	91.25	91.25
Feb	91.25	91.50	91.25	91.25
Mar	91.25	91.50	91.25	91.25
Apr	91.25	91.50	91.25	91.25
May	91.25	91.50	91.25	91.25
Jun	91.25	91.50	91.25	91.25
Jul	91.25	91.50	91.25	91.25
Aug	91.25	91.50	91.25	91.25
Sep	91.25	91.50	91.25	91.25
Oct	91.25	91.50	91.25	91.25
Nov	91.25	91.50	91.25	91.25
Dec	91.25	91.50	91.25	91.25


Prev. vol. 1,000.
 Prev. day's open 91.25, up 1/2.

[illegible]

INCREASED			
Company	Per.	Asset	Pay.
Consolidated Nor Gem	54	3-8	3-18
Western	54	3-8	3-18
Ocean Drilling & Exp	52	3-1	3-18
Travelers Corp	52	3-1	3-18
OMITTED			
Frasar Maritime			
STOCK			
Natl Tech Syst		BPC	2-5
Schulman Inco		BPC	2-5
Shaw & Co		BPC	2-1
STOCK SPLIT			
Travelers Corp	2-for-1		
USUAL			
Allied Products	50	2-12	2-18
Cap National	50	2-12	2-18
Food Town Stores	50	2-12	2-18
GATX Corp	49	2-1	2-18
Helix Insuranc	49	2-1	2-18
Helix Insuranc	49	2-1	2-18
Int'l Sec of Am	48	3-1	3-18
James O	48	3-1	3-18
McLean Trucking	48	3-1	3-18
James O	48	3-1	3-18
Platinum's Inc	47	2-1	2-18
Platinum's Inc	47	2-1	2-18
Shaw & Co	46	2-1	2-18
Shaw & Co	46	2-1	2-18

Friday's New Highs and Lows

NEW HIGHS - 4		
Common Mills Marathon Corp.	Crown For Ration Corp.	Seastar For UCOB-TV
NEW LOWS - 19		
Altogether Armstrong	Hammond Hawthorne	Parkway For Paramount
CB Ind Columbia	Alamo For Alamo West	Regal For Regal
Charming 2 For Chart	Midland For Odeon-Cine	Savoy Universal
Gulton Ind Hanna Corp.		

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 HERALD-EXAMINER TRIBUNE

End of Marathon Battle Prompts Little Glee

By Robert J. Cole

By Robert J. Cole
New York Times Service

NEW YORK — At 12:01 a.m. Thursday, exactly one minute after U.S. Steel Corp. was free to buy Marathon Oil, a U.S. Steel executive in Pittsburgh phoned a Marathon Trust official in Manhattan and told him to proceed. "Northwestern" now has \$3.75 billion to Marathon shareholders.

The bank had decided earlier that it would deliver the checks, in person or by mail, on Monday morning. But with the cost of money so high, Wall Street hesitated so long that the bank to hand over their checks right away so they can put their funds to work.

The checks they will receive next week will represent \$125 a share for 30 million shares of Marathon stock, worth \$3.75 billion of stock — a fairly common amount on Wall Street — the shareholders would be able to earn, if they invested the money at 15 percent, about \$200,000 a day, or \$80,000 from Thursday until Monday.

Barrett Trust, standing in ground, by Monday will be made Monday morning, not before. It said that shortly after Chief Justice

stock, the Marathon payoff does not have the urgency of the Conoco acquisition, and Bankers Trust can plan for more orderly disbursement.

As for Wall Street grumbling that Bankers Trust will pick up a \$6 million windfall by investing the \$3.75 billion during the four-day wait, a bank spokesman said that the bank does not have the funds. He said U.S. Steel would not deposit any of the funds until Monday, when the additional \$6 million daily as investors cash checks they received in the mail. Thus, it seems, U.S. Steel would get an unexpected, and apparently unsought, windfall.

Wall Street investment bankers, lawyers and a small army of anonymous helpers will soon be picking up the checks of their own — more than \$50 million worth.

In addition to First Boston Corp., which will collect \$18 million to cash for advising Marathon, there is Goldman, Sachs & Co., U.S. Steel's adviser, which will receive \$10 million; Merrill Lynch White Weld, adviser to Mobil, would have received a check for \$12 million or more if Mobil had won. Even in defeat, it

what it called "final verification." U.S. Steel said \$2.9 million shares were in the hands of Bankers Trust.

David M. Roderick, U.S. Steel's chairman and chief executive officer, was absent from U.S. Steel's brief public statement celebrating its successful battle for Marathon.

Victory declarations from the corporate chairman almost always follow such acquisition victories. But Mr. Roderick has so far said nothing and, according to spokesmen, will say nothing more. "I am not a champion or a few bears seated in order in Pittsburgh, where U.S. Steel has its headquarters, no one could be found in the mood to celebrate."

Future Clouded

Some said it was nonsense to draw any conclusions from the company's reluctance to crow about its coup. Others said that, until Mr. Roderick had a clearer picture of what Mobil might yet do, there was still lots of work to be done before the picture was clear. In other words, maybe U.S. Steel does not feel it has been victorious yet, especially because Mobil has threatened to buy up to 25

percent of U.S. Steel's stock.

Mobil watchers know that when its top executives decide to do something, such as an attempt to take over Conoco or Marathon, it did not wait for success, or to buy 25 percent of U.S. Steel's stock, might try to do, two big questions they ask themselves are these: Is it legal? And does it make good business sense?

If the answers are positive, then, when it does it, Mobil reasons.

That kind of thinking is central to its objective of increasing crude oil reserves, has brought Mobil a reputation, among other things, for being aggressive, audacious, unpredictable, determined and competitive — all attributes that Mobil likes, acceptable, even if the oil world thinks that Mobil is rocking the boat.

Mobil, however, is showing signs that it is getting sensitive about what it regards as unfair characterizations, ranging from arrogant to insensitive.

But because Mobil also believes in "the oil business is a market," its sensitivity to labels of being insensitive may not change. Whether this means that Mobil will buy a chunk of U.S. Steel is unclear.

Closing Prices, Jan. 8, 1982[illegible]

(Continued from Page 9)

ing to enacting laws is expected to be long and difficult.

Labor is also a question. Fiat's unions have passed from initial resignation to growing restiveness following the 1980 strike defeat.

mid-1983.

"Not only will they not take them back, they're letting others go," Mr. Delessandri said. "Our major complaint is that we're moving toward plant closures. Fiat is

Labor leaders doubt that ties between Fiat and Alfa can work, because Fiat is private and Alfa state-owned. "In fact, we just don't agree with the plans," said Tom Delessandri, a union leader at FLN, the metal workers union. "The steel plan will only penalize Italy's steel industry."

But the greatest fear at union headquarters, and one that could cause Fiat the greatest trouble, is that the company's modernization will cost additional jobs.

According to the agreement that ended the strike, the 23,000 work-

has reached a long-term agreement with Iveco, a Fiat subsidiary, under which it will sell light-duty commercial trucks built by Iveco for the North American marketplace. Initial truck deliveries will start in March, Harvester said.

Jan. 4, 190

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 M.	13 1/2 - 13 1/2	18 1/2 - 18 1/2	N.A.	15 1/2 - 15 1/2		14 - 14 1/2	11 1/2 - 12 1/2
2 M.	13 1/2 - 13 1/2	18 1/2 - 18 1/2	8 1/2 - 8 1/2	15 1/2 - 15 1/2		14 - 14 1/2	12 1/2 - 13 1/2
3 M.	13 1/2 - 13 1/2	18 1/2 - 18 1/2	8 1/2 - 8 1/2	15 1/2 - 15 1/2	N.A.	14 1/2 - 14 1/2	12 1/2 - 12 1/2
4 M.	14 - 14 1/2	18 1/2 - 18 1/2	9 1/2 - 9 1/2	16 1/2 - 15 1/2		14 1/2 - 15 1/2	13 1/2 - 13 1/2
5 Y.	14 1/2 - 14 1/2	18 1/2 - 18 1/2	7 1/2 - 8	15 1/2 - 15 1/2		14 1/2 - 14 1/2	13 - 13 1/2

Closing prices Jan. 8, 1982

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Contestants in NFC Playoff Bracing for a Sloppy Sunday

SAN FRANCISCO — On the 25th of October, after the San Francisco 49ers played the Los Angeles Rams and a week after a Rolling Stones concert at Candlestick Park, the jokers began.

"Candlestick Park."

"Candlestick Park."

Much has been made of the condition of the football field on the banks of the Bay, and more is being made this week prior to Sunday's NFC championship game between the 49ers and the Dallas Cowboys.

A local explanation has it that the 49er offense — short passes, no running game — is designed around the allegedly soft footing. Another rumor suggested that Dallas coach Tom Landry, during the regular season when the 49ers beat the Cowboys, 45-14, came to San Francisco expecting the synthetic turf which was taken up in 1979.

Here is the status of the field from those who know.

Jim Lucey, in charge of physical maintenance of the field, said:

New Zealand Set To Meet China In Soccer Playoff

SINGAPORE — The New Zealand soccer team arrived here Friday confident of having an edge over China in Sunday's playoff to decide the 24th and last berth in the World Cup finals in Spain next summer.

After being greeted by a colorful Maori welcome, manager John Edhead predicted that the match would be tight, but probably in his team's favor. "It's going to be close and I don't think there will be more than one goal between us," he said. "But we have the edge since we have taken three goals off China in our last two encounters."

In their Asia-Oceania qualifying zone matches New Zealand held China to a goalless draw in Peking, and picked up a 1-0 victory in Auckland. The two sides tied for second place behind Kuwait following New Zealand's astonishing 5-0 triumph against Saudi Arabia last month.

"China was not prepared for our win in Riyadh," Edhead said. "It's left them on a downer while we are on an upsurge."

Transactions

BASEBALL
Los Angeles Dodgers — Traded Bobby Castillo, pitcher, and Bobby Mitchell, outfielder, to the Minnesota Twins for Paul Vukobratovic, pitcher, and Scott MacGregor, catcher. Assigned Vukobratovic to the Pacific Coast League and MacGregor to San Antonio of the Texas League.

BASKETBALL
Milwaukee Bucks — Traded Scott Williams, forward, on the injured list, to the New York Knicks for Frank McKinnon, forward.

"This field is not 100 percent. It's the winter time and we've had an unseasonable amount of rain. But this is nothing out of the ordinary. On a natural grass field, you're going to slip."

Less kind was George Toma, the horticultural wizard for the Kansas City Chiefs and Royals who, at the request of the NFL, began consulting on the Candlestick field last fall. Toma, doing what he can for Sunday's game, said that Candlestick must be completely replanted and given a "turf management program" for the future.

"The field is covered and that hurts, it brings the moisture up," Toma said. "But I think for Sunday it will be just like it was for the Giants game. There will be a little sod coming up during the Cowboys game."

During the 49ers' playoff victory over the New York Giants last Sunday, the field — despite weekend rains — was dry and relatively stable, though not like synthetic turf. When a player made a quick cut, a piece of sod often jumped like a frog off the field, to be replaced and tamped back down during the next fall in the action by the crew which has come to be known as the "sod squad."

Though torrential rain struck the Bay area last weekend, devastating the central California coast with floods and mudslides, skies cleared on Tuesday. The Candlestick field — which is dry — has been uncovered each day to allow an airing out and for crews to work on it, and then is re-covered each night to protect against showers.

"He's a really knowledgeable guy and a really nice guy," Lucey said of Toma. "But nobody can come into a natural grass field and wave a wand and make it something else."

Both coaches early in the week discussed the turf, and both said they expected less than perfect footing.

"I think what it does is bring an element of misfortune, or chance, to the game that normally wouldn't exist," said 49er coach Bill Walsh, who took his team away from the rain to the Los Angeles Rams' practice field in Anaheim.

"I can't think of either team having an advantage, but I think both teams could have a disadvantage. There could be breaks because of the weather and then someone will have to be resourceful enough to overcome it."

Landry: "You just go ahead and play. Both sides might be cold. Both sides might be slipping. You just hope when it is all over with you have enough breaks to offset it."

The Candlestick problems dated to October. The baseball Giants played Oct. 2, then the infield was sodded and the 49ers played Dallas Oct. 11, and most of the new sod was either kicked up or loosened.

"In behind all that we had the Rolling Stones concert," Lucey said. "They did us in. We had 160,000 people here in this stadium for two days, and the field took an awful beating. I learned if I have one again I will cover the entire field."

On Oct. 25, the 49ers played the Rams, and the field showed signs of the concert wear and tear.

"This fall I said we need a Bandaid," Toma said. "We need to get situated for three or four games."

Toma's Bandaid was applied between the 45 and 20 yardlines on one end of the field. A material called enkamat, a nylon netting about a half-inch thick which looks like several piled layers of chain-link fence, was laid on the underlying sand.

"Then I tried to get the right kind of sod," he said. "But the sod companies said they couldn't cut sod 1 1/2 to 2 inches thick. Well, they cut it like that all over the nation. Jim Lucey, though, found some sod over at Kezar Stadium [the 49ers' old park]. The sod people here did a tremendous job cutting the sod. It's 2 inches thick, 18 inches wide and 4 feet long. This sod was installed on the enkamat."

"Then I noticed they never put a pound of grass seed down. So we seeded the entire field with about 80 percent derby ryegrass. In my book that's the best ryegrass in the country. The other 20 percent was Manhattan ryegrass. That seed is what's holding us now. That seed was four weeks ago. After that concert, they should have seeded the whole field."

He said a crash program to enkamat the whole field could have been undertaken late in the fall, but at the time the 49ers did not know they would play at home during the playoffs.

"They would have gambled throwing a lot of dollars away," Toma said.

NFL Playoffs

Conference Championship
Sunday, Jan. 10
San Diego at Cincinnati
NFC
Dallas at San Francisco
Super Bowl XXVI
Sunday, Jan. 24

Nastase, at 35, Upsets Clerc In Round-Robin Tournament

ROSEMONT, Ill. — Ilie Nastase upset Jose-Luis Clerc, 6-4, 3-6, 6-1, Thursday night in a round-robin tennis tournament here. Nastase, 35 years old and ranked No. 73 in the world, combined overhead slams and drop shots to beat Clerc, ranked No. 5, and win his first match of the tournament.

John McEnroe, the top seed, rallied after losing a deucebreaker to beat Vitas Gerulaitis, 6-3, 6-7, 6-1. The victory advanced McEnroe to Saturday's semifinal round in the race for the tournament's first prize of \$100,000.

Connors also advanced. He defeated Ivan Lendl of Czechoslovakia 6-2, 3-6, 6-3, in a match that ended after midnight.

Doubles Championship

BIRMINGHAM, England (AP) — Ferdi Taygan and Sherwood Stewart defeated Hank Pfister and Victor Amaya, their American compatriots, 7-6, 6-4, 6-4, Friday in round-robin play in the World Doubles Championship tennis tournament. Stewart and Taygan thus assured themselves of a spot in the semifinals.

Also playing the semifinals were the teams of Kevin Curren and Steve Denon, and Heinz Gumpthardt and Balazs Taroczy.

NHL Standings

WALDES CONFERENCE				
Team	W	L	T	Pts
NY Islanders	24	14	2	50
Pittsburgh	18	17	5	41
NY Rangers	14	18	6	34
Washington	12	25	3	27

ADAMS DIVISION				
Team	W	L	T	Pts
Boston	21	17	2	44
Buffalo	21	18	1	43
Montreal	21	19	2	44
Quebec	21	20	1	43
Hartford	10	21	2	22

CAMPBELL CONFERENCE				
Team	W	L	T	Pts
Minnesota	12	12	4	28
St. Louis	12	12	4	28
Chicago	14	19	1	29
Winnetka	14	20	1	29
Toronto	17	18	1	35
Detroit	12	24	2	26

THURSDAY'S RESULTS				
Los Angeles 5, Washington 3 (Bosch 37)				
San Antonio 79, Fort Worth 70 (McCreary 23)				
Detroit 5, Pittsburgh 4 (McKinnon 19)				
Orlando 72, Houston 68 (Hester 19)				
New York Rangers 4, Vancouver 1 (Dunsmuir 13)				
Calgary 3, Edmonton 2 (Dunsmuir 13)				
San Jose 4, Los Angeles 3 (Bosch 37)				
San Antonio 79, Fort Worth 70 (McCreary 23)				
Detroit 5, Pittsburgh 4 (McKinnon 19)				
Orlando 72, Houston 68 (Hester 19)				
New York Rangers 4, Vancouver 1 (Dunsmuir 13)				
Calgary 3, Edmonton 2 (Dunsmuir 13)				
San Jose 4, Los Angeles 3 (Bosch 37)				

College Basketball

Stimmer (7), Fox (14); Morik (29), McCasport (2), Carpenter (14).
 Detroit 5, Pittsburgh 4 (McIntosh, 19), Grednick (17), Larson (22), Holman, Hether (10); Simpson (44), McCasport (19), Kober (19), Butts (14).
 New York Knicks 100, A. Vandermeer 1 (Rogers 11), De Meijer (7), De Malenew (4), Dupuy (24), 44; Howard (22).
 Toronto 4, Calgary 4 (Belostich, Boschman 33, Bernier (4), Palemont (44); Chouinard (11), LeVine (15), Penick (19), Hides (9).
 New York Knicks 100, A. Vandermeer 1 (Rogers 11), De Meijer (7), De Malenew (4), Dupuy (24), 44; Howard (22).
 Los Angeles 121, Chicago 112 (Hoffman 52), Lauch (30), Fleckner 2 (14).
 Boston 8, Minneapolis 6 (McNab 21, R. Crawford 15), Madsen 2 (29), C. Crowder (11), Lindstrom (7); Lundholm 2 (18), McCasport (13), Lindstrom (15), Lowersucht (24), MacCain (2).

Art Buchwald

Prevention of an Ounce

WASHINGTON — I got on my scale the day after New Year's, and discovered it was off by five pounds. Whereas I should have weighed 185 pounds, the scale, which had been guaranteed for 10 years, was wavering between 190 and 192.

"Someone has been playing around with this scale," I told my wife. "Maybe one of the children jumped on it too hard," my wife said.

I urged her to try it, just to make sure I wasn't wrong.

"Not on your life," she said. "I never get on a scale after the holidays. It depresses me too much."

I called up Lester Shor. "What are you doing?" I asked him.

"Finishing up some cheesecake left over from the Sugar Bowl."

"Did you go to the Sugar Bowl?"

"No, but we had cheesecake and coffee at half price because I once knew a kid who played for Georgia."

"Did you weigh yourself this morning?"

"I didn't get on the scale, but I kicked it once or twice."

"How come?"

"For the past few days I've been getting ridiculous readings. You know I've never gone over 195 pounds in my life. Well, the day after Christmas the pointer showed 201, and two days later 203 and yesterday 207."

"Where was the scale made?" I asked.

"Taiwan."

"That explains it. I heard there have been a lot of imports that were never properly adjusted."

"Let's go over to the Chevy Chase Racquet Ball Club. They have a digital scale from Switzerland."

Polishing the Crown Jewels

LONDON — The jewel house at the Tower of London, where Queen Elizabeth II's crown jewels are displayed, will be closed to the public in February for the annual cleaning of the priceless regalia. Buckingham Palace announced Friday.

land which doesn't gain or lose an ounce in a year," Lester said.

"Okay, I'll meet you there in an hour."

We met in the locker room. I was finishing up a piece of fruit cake and Lester was biting into a chocolate-covered tangerine.

I stepped on the scale first and it lit up at 201.6.

"That's insane," I said.

Lester got on the scale and it showed 209.4.

He demanded to see the manager. "Sir, I pay \$35 a month dues and the least I can expect for my money is an accurate weight reading."

The manager stood on the scale and it showed 145.2.

"It seems all right to me," he said. "That's what I weighed last week."

"What else could the man say?" I told Lester later as we stopped to have a pizza. "If he admitted the scale was off, his entire health club operation would be threatened."

Lester nodded his head. "There is no truth in scales any more. Even the ones made in Switzerland lie."

"The worst ones are located in doctors' offices," I said. "All of those are at least three pounds off."

"I tell you the only good scales left in the United States are the kind you find in drugstores that tell you your weight on one side of the card, and your fortune on the other, for a penny."

"I haven't seen one in a long time."

"That's because the scale carts are buying them up and replacing them with ones that won't tell your weight unless you put in a nickel."

"You game for a dish of frozen yogurt?" I asked him.

"Why not? If you're not going to get a square deal from a scale there is no sense starving yourself all year long."

Rosenthal came by with a deep dish of cherry pie.

"Trouble at home?" Lester asked him.

"Yeah, I weighed myself this morning, and my wife took the scale's word against mine."

"If she did that to me," Lester said, looking at the cherry pie, "I would have put whipped cream and nuts on top."

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Mary Blume

Elisabeth Lutyens

"They Want You to Write One Masterpiece," She Said. 'I Have An 18th-Century View. A Dog Barks and a Composer Composes'

International Herald Tribune

LONDON — Elisabeth Lutyens, who has been called the most radical British composer of her generation, turned 75 last summer, an event marked by a handful of concerts and interviews. Interviewers who called her a woman composer did so at their own peril, as a TV talk show host learned.

"I said if he called me a woman composer I'd call him a queer and he'd be right," Miss Lutyens said. She may be white-haired now and frail, but she is as dauntless and sharp-tongued as she was when she roared at a startled obstetrician while coming out of the anesthetic after the birth of her first child, "And I still want to write music," she said.

But being both a woman and a composer has undoubtedly made her life exceptionally hard. Born to privilege (her father was the architect Sir Edwin Lutyens, the subject of an exhibition at the Hayward Gallery through Jan. 31, her mother the daughter of the Earl of Lytton), she had two unimpaired husbands and four children. She supported the family by copying music (her first job was to copy "Limehouse Blues" at 10 pence a page), and writing for films and radio. No matter what, she tried to compose a few bars of her own music every day.

"I had a difficult private life," she says dispassionately. "I am 15 years behind any man. If I wrote a bad piece, I'd write one it was because I was a woman."

Feminists who come to her North London house with tracts get as short shrift as those who label her a woman composer.

"Instead of writing useless information about women being abused, why not build a nursery school so women could have two hours a day without Mum, Marm, Muffin and quarrel, quarrel, quarrel?"

"I am not anti-men, I adore them," Miss Lutyens said. "But I think they're a luxury. Give me a wife any time. Nothing is so cheap as a wife."

Her elegant fingers still wear polish so deep in color that it is

almost black but the rheumatoid arthritis that has lately confined her to bed makes ordinary writing impossible and writing music extremely painful. Still, she wrote seven pieces last year. Her output is staggering and she has been accused of being too prolific.

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playment so I know what unemployment is. If you bring a child into the world who may not want to be born, your first responsibility is to the child. I even applied to the Labor Exchange to scrub floors. My husband said, 'I'll conduct or nothing.'"

There is no bitterness. Elisabeth Lutyens may like to rail — "This is a miserable world, it stinks," she says — but she would not complain.

"I've allowed self-pity for a week after the flu. That's all," she says.

Elisabeth Lutyens developed her considerable verbal gifts while acting as hostess for her father while her mother, Lady Emily, was off on Theosophist missions with Krishnamurti. Beautiful and elegant, Lady Emily was narrowly dissuaded from leading a protest demonstration in the vicarage New Delhi that her husband had designed, and when Elisabeth was wondering how to feed six hungry mouths she sent her a book of household hints.

"To sit the beds get the third housemaid to sleep in them every third day," Elisabeth dedicated her regimen to her mother but Lady Emily did not attend the performance as she had a dinner party that night.

Sir Edwin was charming, distracted and affectionate. There were five children and it has been said that Sir James Barrie took the Lutyens' nursery as his setting for "Peter Pan."

"Not so," says Elisabeth. "Our nursery life was war, tooth and nail. In that war she held the uninteresting rank of second youngest and was, her younger sister has written with a suggestion of disapproval, always bent on being different."

Naïveté

She was given violin lessons at the age of 9 to cure tailbiting and decided to devote herself to music not, she says, from natural talent but from a wish for privacy. Had she gone into the visual arts her father would have been peering over her shoulder, while her mother's family was extremely literary. No one in the family knew anything about music.

She studied in Paris — "France in 1922 was heady," she says — and returned to do battle in England ever after. She disliked what her friend the composer Constant Lambert called the cowpat school of English music. Her work is rigorous and literally inaccessible — rarely played, hardly recorded, even now more readily welcomed by the young than by the Establishment.

A leading British painter praises the simplicity of her work; a fashionable conductor admires her intelligence and lineage but finds her music disagreeable. Her friends were more often writers and artists than musicians with such exceptions as Dalcroze, Virgil Thomson and Stravinsky.

"In a few minutes we were banging the table like students," she says of her first meeting with Stravinsky.

The Nobel Prize winner Elias Canetti is a friend; Dylan Thomas was an intimate although, as she points out, "So many people say they knew Dylan it's almost more chit chat."

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